House Joint Memorial 1

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

Your memorialists, the Senate and House of Representatives of the State of Washington in regular session assembled do most respectfully represent and petition as follows:

Whereas since the last apportionment of the Members of the House of Representatives in Congress, a large percentage of the people of the United States have moved to and taken up their residence on the Pacific coast and are now without apportional representation in your honorable body;

Wherefore we, your memorialists, most respectfully urge your honorable body to reapportion the membership in the House of Representatives in Congress in accordance with the provisions of the Constitution of the United States.

Passed the house January 18, 1927.

RALPH R. KNAPP,
Speaker of the House.

Passed the senate January 18, 1927.

W. LON JOHNSON,
President of the Senate.

The PRESIDENT pro tempore also laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Commerce:

STATE OF OREGON, DEPARTMENT OF STATE,
Salem, January 25, 1927.

To the honorable
the PRESIDENT OF THE UNITED STATES SENATE,
Senate Chamber, Washington, D. C.

DEAR SIR: By direction of the Thirty-fourth Legislative Assembly of the State of Oregon, I have the honor to transmit herewith for your consideration a certified copy of House Joint Memorial No. 1, urging Congress to take legislative action in connection with the improvement, extension, and development of the port and harbor facilities of the city of Portland, Oreg.

Very respectfully,

SAM A. KOZER, *Secretary of State.*

House Joint Memorial 1

Whereas the entire State of Oregon is interested in the improvement, extension, and development of Portland's port and harbor facilities; and

Whereas the Columbia Slough, near Portland, is regarded and recognized by the General Government as navigable waters for small craft for quite a distance upstream from Kenton district, where there are located many factories and industries of no small magnitude; and

Whereas at a comparatively small cost, considering the benefits to be derived, said Columbia Slough can be widened and deepened and transformed into a canal for ocean-going vessels as far as Kenton, and from Kenton, via Blue Lakes, to a connection with the Columbia River, for river craft and river steamers to the great benefit of Portland and up-river points for shipping, harbor, and port purposes: Therefore be it

Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring), That the Congress of the United States be memorialized, and Congress is hereby memorialized, to appropriate the necessary money for making a survey and to cause a survey to be made from terminal No 4, along the low bottom lands and via the Columbia Slough to Kenton, and also from the Columbia River via the Columbia Slough to Kenton and from Kenton up the Columbia Slough via Blue Lakes, near the Foster Road, to a connection with the Columbia River for the purpose of determining the cost of construction of a ship canal for ocean-going ships from deep water near terminal No. 4 or from the Columbia River via the Columbia Slough to Kenton and also for the continuation of said canal for river steamers and river craft from Kenton, via Columbia Slough and the Blue Lakes near Foster Road, to a connection with the Columbia River: and be it further

Resolved, That the secretary of state of Oregon be, and is hereby, directed to transmit a copy of these resolutions to the Speaker of the House of Representatives, the President of the Senate of the United States, and Members of the Senate and House of Representatives from the State of Oregon.

Adopted by the house, January 18, 1927.

JOHN H. CARKIN,
Speaker of the House.

Adopted by the senate, January 21, 1927.

HENRY L. CORBETT,
President of the Senate.

(Indorsed: House Joint Memorial No. 1. Introduced by Mr. Lewis. Paul F. Burris, chief clerk. Filed January 24, 1927. Sam A. Kozer, secretary of state.)

STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Sam A. Kozer, secretary of state of the State of Oregon, and custodian of the seal of said State, do hereby certify: That I have carefully compared the annexed copy of House Joint Memorial No. 1 with the original thereof adopted by the Senate and House of Representatives of the Thirty-fourth Legislative Assembly of the State of Oregon and filed in the office of the secretary of state of the State of Oregon January 24, 1927, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon.

Done at the capitol at Salem, Oreg., this 25th day of January, A. D. 1927.

[SEAL.]

SAM A. KOZER,
Secretary of State.

ADJOURNMENT

Mr. WATSON. Mr. President, the Senator from Kansas [Mr. CURTIS] was called away on official business. At his request I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, February 1, 1927, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, *January 31, 1927*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou, whose all-searching eye is upon us, we are deeply grateful that Thy blessings are so freely bestowed. There is no price set upon the bounty of to-day or the hope of to-morrow. The Father's love is so boundless for us and for all mankind. Be with us, blessed Lord, through the hours of this day and in all our labors may there be unity, harmony, and conformity to Thy holy will. In our national life may all evil elements be subdued and the righteous agencies made to grow and prosper. O Spirit of love, of life, and power, we thank Thee for the joys of life and for the hope that never dies out of the human breast. Amen.

The Journal of the proceedings of Saturday, January 29, 1927, was read and approved.

AGRICULTURE

Mr. McLAUGHLIN of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a copy of a concurrent resolution passed by the Nebraska Legislature urging the adoption of farm legislation.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks by printing in the RECORD a concurrent resolution passed by the Nebraska Legislature urging the adoption of farm legislation. Is there objection?

There was no objection.

Mr. McLAUGHLIN of Nebraska. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following Senate concurrent resolution of the Legislature of Nebraska:

Senate concurrent resolution

Senator Reynolds presented the following resolution:

"A concurrent resolution and memorial petitioning the Congress of the United States to enact into law at the present session of the Sixty-ninth Congress farm-relief legislation that will place the agriculture of the Nation on an economic equality with finance, industry, and labor

"Whereas the serious depression in agriculture which first affected the wheat and corn producing sections of our country now prevails throughout the entire agricultural Middle West and South; and

"Whereas the cumulative effect of the declining purchasing power of farm products over the period of the last six years is evidenced by declining land values, increasing farm indebtedness, and general business depression; and

"Whereas there is no problem before the National Congress more urgent than the immediate correction of this condition: Therefore be it

"Resolved by the Senate of the State of Nebraska (the House of Representatives concurring therein), That we urge the Congress of the United States to enact legislation which will provide for the disposition of temporary surpluses which occur periodically in the production of some of our basic farm crops as well as normal annual surpluses of the other basic farm crops in a manner advantageous to the producer of such basic crops and to the general business interests, and we further recommend that such legislation provide:

"First. A Federal farm board, administering an adequate revolving fund by which surpluses can actually be handled by cooperative agencies created by the producers;

"Second. For the distribution of the costs of managing such surpluses as to each marketed unit of a particular commodity through an equalization fee.

"*Resolved*, That the secretary of the senate be, and is hereby, directed to transmit copies of this resolution to the Senate and House of Representatives of the United States and to the several Members of said bodies representing this State therein, and to the President of the United States."

VICTOR D. REYNOLDS. PERRY REED.
ALBERT H. MILLER. C. J. WARNER.
CHAS. D. MEACHAM, Jr. THEO. M. OSTERMAN.

INHERITANCE TAXES

Mr. GARNER of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a joint resolution passed by the Legislature of Texas pertaining to the estate or inheritance tax.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by inserting a joint resolution passed by the Legislature of Texas pertaining to the estate or inheritance tax. Is there objection?

There was no objection.

Mr. GARNER of Texas. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following House concurrent resolution of the Legislature of the State of Texas:

House concurrent resolution

Whereas the Federal estate (inheritance) tax law, as amended February 26, 1926, provides that all estates liable thereunder, shall be credited with any inheritance tax paid by its beneficiaries to the State, or States; the credit to equal 80 per cent of the Federal levy; and

Whereas this amendment encroaches upon the rights of the States to raise their own revenue as the wisdom of their legislators may direct, because its object is to persuade them to abandon their State inheritance tax laws in favor of statutes based upon the Federal law. The tax not being required by the Federal Government for revenue at this time, its only object now must be to force uniformity of this tax in all of the States: Therefore be it

Resolved by the House of Representatives of the Fortieth Legislature (the Senate concurring), We hereby request the present Congress to immediately repeal the Federal estate (inheritance) tax provisions of the revenue law effective February 26, 1926, and abandon this field of taxation and leave this source of revenue for the State legislators of the various States to deal with as they may see fit; be it further

Resolved, That certified copies of this resolution be forwarded to our Senators and Representatives in the Congress of the United States.

BARRY MILLER,
President of the Senate.
W. V. HOWERTON,
Secretary of the Senate.
ROBERT LEE BOBBITT,
Speaker of the House.
C. L. PHINNEY,
Chief Clerk of the House.

ASSISTANT PARLIAMENTARIAN

Mr. MACGREGOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution from the Committee on Accounts.

The SPEAKER. The gentleman from New York presents a resolution and asks for its immediate consideration. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 365

Resolved, That until otherwise authorized by law there shall be paid out of the contingent fund of the House of Representatives the sum of $2,500 per annum, payable monthly, as compensation to an assistant clerk at the Speaker's table, to be appointed by the Speaker of the House of Representatives.

With the following committee amendments:

In line 4, after the word "assistant," strike out the words "clerk at the".

In line 5 strike out the words "Speaker's table" and insert in lieu thereof the word "parliamentarian".

Mr. BURTON assumed the chair.

Mr. MACGREGOR. Mr. Speaker, I yield such time as he requires to the gentleman from Ohio [Mr. LONGWORTH]. [Applause.]

Mr. LONGWORTH. My colleagues, I think it is incumbent upon me to say just a word about this resolution, because it was introduced by the gentleman from New York at my request.

The object of this resolution is to create a new office in the House, to be known as assistant parliamentarian. The reasons for it, I think, I can express in a very few words. The duties of the parliamentarian of this House are many and various, and they are among the most important duties performed by any man in the Capitol. They are growing daily; they are becoming more important and multifarious, and the situation at present is that it is almost impossible for one man to do all the routine work necessary; and, more important still, if that man resigns or anything should happen to him, there is no one qualified to take his place. We have been very fortunate, I think, certainly during the time I have been in Congress, in always having capable parliamentarians, none of whom resigned or died suddenly or were ill for a day, so that there has been time to train another man to fill that position. However, I do not think I exaggerate when I say no man, however able he may be, can in less than two years of intense study become entirely capable of fully carrying out the duties of the parliamentarian.

Under the rules of the House it is the duty of the Speaker to refer all bills to appropriate committees but, of course, it is physically impossible for any Speaker of the House, with the other many duties that he has imposed upon him to actually make those committee references. Before the end of this Congress there will be 18,000 or 19,000 bills introduced, and they must be referred by some one who has read those bills. That is one of the duties of the parliamentarian.

Of course, all of you are familiar with the fact that it is absolutely impossible for any Speaker or any Chairman of the Committee of the Whole House on the state of the Union, no matter how great his experience may be, to decide all parliamentary questions without some study of the precedents and unless he has a competent man beside him. While the Speaker or the Chairman of the Committee of the Whole must, of necessity, listen to arguments, it is necessary that those precedents should be looked up by one who is competent to lay his hands on them very speedily.

I regret very much to say that our present parliamentarian will leave us at the close of this session. He is one of the first authorities on parliamentary law in America to-day. [Applause.] He has consented to attend the next session of Congress up to the 1st of January, but after that he leaves. It is a great loss to the House, and it certainly is a great loss to me. The object of this resolution is to afford an opportunity for a young man who, I believe, has the making of a first-rate parliamentarian, by his appointment as assistant parliamentarian, to become as familiar as it is humanly possible to do between now and the 1st of January next, with the duties of the parliamentarian of this House. I intend, on the passage of this resolution, to appoint as assistant parliamentarian Mr. Deschler, who sits on the left of the Speaker.

I believe the passage of this resolution to be for the best interests not only of the House but of the country. It is absolutely necessary, if the legislation of this House is to be speedily enacted, that we have a competent parliamentarian. I believe this is the only way it can be done. I think we should have done this many years ago. It is true it adds one more official to the service of the House, but I am convinced that the small amount of money that is necessary to provide for it could not be as well expended in any other way.

Mr. BLANTON. Will the gentleman yield?

Mr. LONGWORTH. Certainly.

Mr. BLANTON. Not only is it necessary that the parliamentarian be accessible at all times to the Speaker and to the various Chairmen of the Committee of the Whole House, but it is also true that in many instances where the Speaker has knowledge of parliamentary situations arising the parliamentary clerk must devote much time, when the House is not in session, to looking up precedents.

Mr. LONGWORTH. Hours every day.

Mr. BLANTON. He has many hours of such work; and I want to say in behalf of our present parliamentarian, Mr. Fess, that he not only assists the Speaker and he not only helps the different Chairmen of the Committee of the Whole House, but never have I known of a Member going to him seeking information that he did not take all the time necessary to look up the question and give him the information desired. He has done this on many occasions and has kindly rendered me assistance many times, and I do not think we could find a more courteous gentleman anywhere in the world. [Applause.]

Mr. LONGWORTH. The gentleman is quite correct; and I hope the resolution will be agreed to.

Mr. GARRETT of Tennessee. Will the gentleman from New York yield me two or three moments?

Mr. MACGREGOR. Certainly.

Mr. GARRETT of Tennessee. Mr. Speaker, I violate no confidence, I believe, in stating that the Speaker of the House did me the courtesy of advising me several days ago that it was

in his mind to ask that a resolution of this character should be submitted, and I very promptly and very gladly agreed with the Speaker that it is desirable that this be done.

As has been stated by the Speaker, we have been quite fortunate throughout my entire service here in having parliamentarians, no one of whom was ever ill for a day, so far as I know, during the sessions of Congress. I believe I have known five parliamentarians, beginning with Mr. Hinds, followed by Judge Crisp, Mr. Bennett Clark, Mr. Cannon, and the present parliamentarian. All of them have been men of outstanding efficiency, men who not only knew the precedents that were applicable and had them at their fingers' tips, but who were parliamentary reasoners; men who understood the philosophy of parliamentary law, and it has its philosophy just as has statutory law.

Of course, we Members have a difficult time in trying to know parliamentary law. Many of us at times get confused upon the simplest questions. My experience has been that there is only one way to learn anything about parliamentary law, and that is by actual experience with it here on the floor of the House. You have to stand up and take the blows and frequently get knocked out about as often as you win on a point of order before you understand the application of parliamentary law.

A matter arose in the Committee on Rules this morning about the reprinting of a certain parliamentary document, which I hope will be done. I spoke of the fact that I obtained, a few years ago, the small manual prepared by the then parliamentarian, who is our honored colleague now, the gentleman from Missouri [Mr. CANNON], and sent it out to the new Members elect on the Democratic side. I remember I had a letter from one of them in reply, saying that he had received the book and he did not understand it, but he would ask me to tell him about it when he came here. [Laughter.] I do not know whether he ever appealed to me or not. I hope he did not, because I probably would not have been able to tell him very much.

I rose, Mr. Speaker, just to say I think it is very wise to have this assistant parliamentarian, and I am in hearty sympathy with the purpose of the resolution. In saying this I wish also to say what I think is very highly deserved, what has been expressed by the Speaker and what has been expressed by the gentleman from Texas relative to the present parliamentary clerk of this House, Mr. Fess. He is not only efficient, but he is courteous under all circumstances; does an infinite amount of labor, and I regret very much to see him go. I know the good wishes of all of us will go with him into his practice of the law, and I know quite well that one who has demonstrated such reasoning power as a parliamentarian will demonstrate that reasoning power as a lawyer, and I am quite sure he is to meet with great success in his chosen profession. [Applause.]

I trust, and have every reason to believe, that in the gentleman whom the Speaker will name, we are to have a worthy successor who will measure up fully to the excellencies of the parliamentarians of both political parties who for so many years have served the Speakers immediately and the House of Representatives generally. [Applause.]

Mr. MACGREGOR. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. TILSON] such time as he may desire.

Mr. TILSON. Mr. Speaker, I wish to entirely approve all that both the distinguished Speaker and the minority leader have said in regard to our present parliamentarian, Lehr Fess. Everyone in this House, especially those who have had the duty of presiding in the chair as Chairman of the Committee of the Whole House, know that he has been most obliging, most efficient, most capable; and this is all the more reason we should pass this resolution, so as to begin now to train up some one to take his place and also that we may have an apprentice coming along.

The work of the parliamentarian is a very important position in the proper transaction of the business of this House. Those of us who sit there in that chair from time to time as Chairman of the Committee of the Whole know that when a serious parliamentary question arises we wish to have some one at hand. There ought to be some one at the desk at all times. It is practicable to give at least this assistance to the presiding officer, and it should be at his elbow. One person can not do this and at the same time handle all the other work he must perform in looking up precedents, referring bills, putting resolutions into proper shape, and the like; hence the necessity for an assistant to the parliamentarian.

The amendment was agreed to.

The resolution was agreed to.

SUBCOMMITTEE OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. MACGREGOR. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 350.

The Clerk read the resolution as follows:

House Resolution 350

Resolved, That the subcommittee of the Committee on the District of Columbia, now engaged, pursuant to a committee resolution, in an investigation of the government of the District of Columbia, be authorized to issue subpœnas, to send for persons and papers, to administer oaths, and to employ such clerical and other assistance as may be necessary.

That the expenses of the same, not to exceed $2,500, shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of the House Committee on the District of Columbia.

With the following committee amendment:

Page 1, line 8, strike out the figures "$2,500" and insert in lieu thereof the figures "$1,500."

The SPEAKER. Is there objection?

Mr. BLANTON. For the present, Mr. Speaker, I object. I have a good reason which I will state to the chairman later.

D. A. MAYNARD

Mr. MACGREGOR. Mr. Speaker, I call up a privileged resolution, House resolution 363.

The Clerk read as follows:

House Resolution 363

Resolved, That the Clerk of the House of Representatives be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to D. A. Maynard the sum of $213.33, being the amount received by him per month as clerk to the late Hon. Charles E. Fuller.

The resolution was agreed to.

ESTATE OF AARON H. FREAR

Mr. MCGREGOR. Mr. Speaker, I call up House Resolution 355.

The Clerk read as follows:

House Resolution 355

Resolved, That the Clerk of the House of Representatives be directed to pay, out of the contingent fund of the House, to the estate of Aaron H. Frear, late employee of the House of Representatives, a sum equal to six months' salary of the position he held, and that the Clerk be further directed to pay, out of the contingent fund, the expenses of the last illness and funeral of the said Aaron H. Frear, not to exceed the sum of $250.

The resolution was agreed to.

DISABLED EMERGENCY OFFICERS

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to print in the RECORD a concurrent resolution adopted by the Legislature of South Carolina with reference to a pending bill relating to disabled emergency officers of the World War.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. STEVENSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of the State of South Carolina:

A concurrent resolution

Whereas there are nine classes of officers in the World War, the regular, provisional, and emergency officers of the Navy, Marine Corps, and Army; and

Whereas eight of these classes have been granted by the Congress honorable retirement for their wounds and disabilities received as a result of their services in camp and field; and

Whereas the emergency Army officers who fought heroically, as evidenced by more than 2,000 battle deaths in France, have alone failed to receive the honorable retirement accorded all other classes of officers; and

Whereas there are 1,848 of these disabled emergency Army officers now suffering from disabilities received on the field of battle whose honorable retirement has not been granted by Congress; and

Whereas we are informed that legislation is pending in both Houses of Congress, being reported favorably by their respective committees and now on the calendar of each House (the Bursum bill, S. 33; the Lineberger bill, H. R. 4548): Therefore, be it

Resolved by the house (the senate concurring), That we do urgently request our Members in Congress to use their best efforts to have this legislation removing this discrimination passed at this session of Congress: Be it

Resolved further, That the clerk of the house of representatives and the senate join in sending a copy of this resolution to each United States Senator and Member of the House of Representatives from South Carolina.

This is to certify that the within resolution is a correct copy of a concurrent resolution passed by both houses of the State legislature on January 21, 1927.

[SEAL.] J. WILSON GIBBES,
Clerk of the House of Representatives.

[SEAL.] JAMES H. FOWLES,
Clerk of the State Senate.

FARM RELIEF LEGISLATION

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for one minute for the purpose of asking the majority leader a question relative to taking up the agricultural relief bill. The Rules Committee this morning unanimously reported out a rule for the consideration of that measure. There are many inquiries coming from Members of the House and outsiders as to when we will bring it up on the floor for discussion. I would like to ask if the consideration of the appropriation bills has reached such a stage so that the gentleman from Connecticut can consistently at this time tell us when it will be in harmony with your arranged program for me to present the rule for consideration of this measure.

Mr. TILSON. Mr. Speaker, as I now figure, the business immediately in sight is the District of Columbia appropriation bill, which will go on to-day. It is a bill that usually causes considerable discussion in regard to the affairs of the District of Columbia. It will probably take three days or, at any rate, the better part of three days. We have been putting off Calendar Wednesday week after week. The Committee on Territories, which has the call, has some bills that it is desired to consider. It is now expected that committee will take the day next Wednesday. The legislative appropriation bill will be reported as soon as the District of Columbia appropriation bill is out of the way, and with the interruptions that we shall probably have this bill will undoubtedly take the remainder of the week. Next week Monday is consent and suspension day. This day has not been dispensed with, or, at least, not in later years, and therefore Tuesday of next week would be the earliest day we could have these bills out of the way.

Mr. SNELL. The gentleman thinks it would be proper for me to tell inquiring Members that we expect to present the resolution providing for the consideration of the farm relief bill on Tuesday of next week.

Mr. TILSON. If that is the desire of those in immediate charge of the bill.

Mr. SNELL. They want it as early as possible.

Mr. TILSON. There are two or three little bills pending before the Committee on Rules about which there is not much controversy, and I have hoped that there might be a day when we could slip in these smaller matters, but a major matter like the agricultural relief bill should, of course, have the right of way. If those in charge of the bill are ready to go forward, I feel that they should have that opportunity as soon as practicable.

Mr. BANKHEAD. Mr. Speaker, in view of the statement made by the chairman of the Committee on Rules with reference to this matter and in view of the fact that there is such an interest manifested by Members in knowing about the rule I think it might be well for the chairman of the Committee on Rules to give us the provisions of the rule that has been adopted.

Mr. SNELL. Mr. Speaker, the rule adopted this morning provides for 12 hours of general debate, one-half to be controlled by the gentleman from Iowa [Mr. HAUGEN] and one-half by the gentleman from Louisiana, Doctor ASWELL. It is understood that Doctor ASWELL will yield one-half of his time to the proponents of what is known as the Crisp measure. So that one-half of the time will be for the Haugen bill and one-half for the opposition, divided between the two other measures. There was no definite agreement in regard to a motion to recommit.

That matter was left entirely open under the general rules of the House. The rule seeks simply to bring that measure on the floor of the House with 12 hours of general debate under the general rules of the House.

Mr. NEWTON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. NEWTON of Minnesota. Was any provision made in reference to the amendment of the bill by a substitution of the Aswell or the Crisp bill?

Mr. SNELL. No definite provision was made in the rule. It is generally the opinion of the advocates of both of the other measures that they are germane to the general provisions of the Haugen bill, which is to be considered under the rules.

Mr. BEGG. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BEGG. Right on the question of the gentleman from Minnesota. Does not the gentleman believe that in order to have an absolutely fair try out, without any question of doubt, that the Committee on Rules ought to provide for the germaneness of these amendments?

Mr. SNELL. The Rules Committee does not like to go too far in determining the work of the House. We want to give full opportunity to discuss the Haugen bill, because that is the bill that the Committee on Agriculture has agreed to present to the House, and that was really the only proposition before the Committee on Rules at this time.

Mr. BEGG. Mr. Speaker, I am quite willing to agree to the gentleman's statement, but the Haugen bill was not a unanimously reported bill.

Mr. SNELL. Very few bills are.

Mr. BEGG. There are some of us who would like to have an opportunity to vote for what we believe to be the proper bill. We might not be in accord with that measure. If the Chair by any chance should hold either of these other bills out of order as an amendment to the Haugen bill, then the door will be shut right in our faces. The purpose of the creation of the Rules Committee, as I understand it, was to provide means for doing the will of the House in an emergency. The proponents of the Haugen bill can not be damaged if the rule provides that these bills shall be germane, because if a majority of the membership of the House wants the Haugen bill, that is what they are going to get, in spite of the fact that the other bills are held germane; but if, on the other hand, a majority of the House should want either of the other two bills, and if the Chair should hold that they are not germane, then the will of the majority of the House would be thwarted. Therefore it seems to me that the Committee on Rules ought to absolutely assure the majority of the House of the opportunity to work their will.

Mr. SNELL. The gentleman understands that the Committee on Rules does not intend to perfect all of the legislation that comes before the House. Definitely, we are a procedure committee. The majority of the Committee on Agriculture have presented a bill here and have asked for a rule upon it. That is the main and the only question really that is before the Committee on Rules at this time. We have granted a rule for consideration of the only agricultural bill that is on the calendar at the present time, and the Agricultural Committee is the only party authorized to ask for a rule.

Mr. NEWTON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. NEWTON of Minnesota. This thought occurs to me. There was a minority report signed by three or four members of the Committee on Agriculture proposing the Curtis-Crisp bill.

Mr. SNELL. Yes.

Mr. NEWTON of Minnesota. It is currently reported, and it has been stated on the floor of the House, that the vote to substitute the Crisp bill for the Haugen bill mustered 10 votes, just one short of being a majority. It seems to me that if the Committee on Agriculture had opportunity to pass on all three measures and divided upon the question, the House ought to have a similar opportunity. It may well be, as the gentleman from Ohio [Mr. BEGG] has suggested, that a majority in the House might agree with the Committee on Agriculture, but on the other hand the majority might disagree and desire either the Aswell bill or the Curtis bill, in which event both of those measures should be before the House for full and thorough consideration.

Mr. SNELL. I think they will be before the House for full and complete consideration, and if this majority which the gentleman is talking about—and I am one of them—are on the floor of the House when the bill is considered, they will have ample opportunity to express their views in regard to the bill and to vote accordingly. They are denied no rights under the proposed bill, and if they are interested enough to stay on the floor they will have ample opportunity to protect and maintain those rights.

Mr. NEWTON of Minnesota. Of course, it may be that both bills are germane to the Haugen bill. I have not examined either of them carefully and have no opinion about that.

Mr. SNELL. Of course, that is a question that must be met by the Chairman of the Committee of the Whole. No man can decide for him in advance, but I think it is the general opinion of most people who have studied the bills that they are germane.

Mr. NEWTON of Minnesota. No man can, but the Committee on Rules, of course, could.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. KINCHELOE. I understood the chairman of the Committee on Rules to say a while ago that the rule was unanimously reported by the members of the Rules Committee. Is that correct?

Mr. SNELL. That is correct.

Mr. KINCHELOE. Was it the unanimous opinion of the members of the Committee on Rules that they should report a rule that would make only the Haugen bill in order?

Mr. SNELL. I am not saying as to that. I said that the rule was unanimously reported, and I was so directed to report to the House.

Mr. KINCHELOE. I wanted to let the country know how the Committee on Rules stood on the proposition.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. CRISP. Is it not a fact that under the rule the gentleman states has been agreed to, only the Haugen bill is made in order for consideration under the general rules of the House?

Mr. SNELL. That is correct, as far as the rule itself is concerned.

Mr. CRISP. As the gentleman knows, I appeared before the committee this morning and stated that I was perfectly willing to take my chances as to the bill I had the honor to introduce being germane; but I also stated to the committee that in the Committee of the Whole one never got a full and fair consideration of the views of the House because the Members are not all on the floor during the consideration of a bill in the Committee of the Whole. Neither is there a record roll call in the committee. Therefore, in view of the fact that two bills earnestly and seriously, are being advocated, each of them receiving a vote in the Committee on Agriculture of 10 to 11 on the question of substitution, I asked the Committee on Rules in fairness to report out a rule making two motions to recommit in order. Does not the gentleman think, in view of the history of this legislation, in view of the fact that two motions to recommit will give the House opportunity to express itself on the two substitutes, and that only some 30 to 40 minutes extra time will be consumed, that the Rules Committee ought to extend that consideration to the Members of the House? [Applause.]

Mr. SNELL. Well, now, technically there is only one bill before the House, and following all the precedents of the Rules Committee except in the rule we brought in for the Committee on Agriculture last year——

Mr. CRISP. Last year there were presented three bills in the rule.

Mr. SNELL. But the Committee on Agriculture itself asked to have it done in that way? I was not the willing father of that rule.

Mr. CRISP. Does my friend think it would strain the rules of this House to give the House the opportunity to vote on two motions to recommit?

Mr. SNELL. I did not hear the gentleman.

Mr. CRISP. I desire to ask my friend if he thought it would strain the rules of the procedure of this House to give this House the privilege of voting on two motions to recommit instead of one?

Mr. SNELL. Well, I do not know as it is straining them, but the gentleman, more than anyone else, knows it is a little out of the ordinary, and we tried to follow as carefully as possible the rules and precedents of the House and to give the fullest possible discussion of the agricultural question in all its phases and at the same time be fair to all parties concerned. The gentleman from Georgia must remember that the bill he is interested in, and personally I am with him, has not been reported by any committee, and the logical way to have its provisions considered is to have it offered as an amendment in the Committee of the Whole.

Mr. ASWELL. Will the gentleman yield?

Mr. SNELL. I will.

Mr. ASWELL. May I ask if the Rules Committee had made the two motions in order to recommit, what would be the effect of the precedent when it came to the Muscle Shoals bill when it comes up, and other matters?

Mr. SNELL. If we start in along that line, we are liable to cause ourselves trouble in the future. As a general proposition one motion to recommit is enough.

Mr. ADKINS. Will the gentleman yield?

Mr. SNELL. I will.

Mr. ADKINS. It has been quoted here that this was a 10 to 11 report; I mean the Haugen bill had 11 to 10 to report it out.

SEVERAL MEMBERS. Oh, no!

Mr. ADKINS. That is what I wanted to correct.

Mr. KINCHELOE. Ten to eleven to substitute the Crisp-Aswell bills.

Mr. ADKINS. Gentlemen are trying to explain what was done. There was no such——

Mr. SNELL. All I have said or intend to say at this time is that it was unanimously voted out. [Applause.]

Mr. ADKINS. An amendment was offered to make it in order to substitute the two, and the proponent of the amendment asking the Rules Committee to make it in order to report those two bills withdrew it.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SNELL. I will.

Mr. LAGUARDIA. If the purpose of the rule is to allow time for discussion of the three bills, why, we had that experience last year. And then there is going to be a question of parliamentary propriety of offering motions to recommit. Why——

Mr. SNELL. That is not the same situation we have before us at the present time. The Committee on Agriculture then asked us for it, and we granted their request. This time they only ask for consideration of one bill.

Mr. FUNK. Mr. Chairman, I ask for the regular order.

Mr. CHINDBLOM. If the gentleman will permit, in the event that the presiding officer of the Committee of the Whole House on the state of the Union or the Speaker should hold either the Crisp bill or the Aswell bill out of order as a substitute, the gentleman does not consider his committee to be precluded from convening for the purpose of again considering that particular question?

Mr. SNELL. They are never precluded from convening in the consideration of any question and bringing it before the House.

Mr. LUCE. Will the gentleman yield?

Mr. SNELL. I will.

Mr. LUCE. If it should happen that any Member should have insuperable objection to all three bills, will this rule give any opportunity for him to present his views?

Mr. SNELL. Certainly he can, or any statement he desires to make.

Mr. LUCE. The gentlemen in charge are all in favor of one bill or the other. What is the plight of the man who objects to all three bills?

Mr. SNELL. I do not know I can answer that question in its entirety, but with 12 hours of debate confined to the subject matter everybody will have a chance to express his views or offer any germane amendment.

Mr. TILSON. Mr. Speaker, the gentleman from Illinois has asked for the regular order.

Mr. BEGG. If the gentleman from New York will yield, I would like to ask him a question.

Mr. SNELL. Yes.

Mr. BEGG. I would like to ask him, in view of what has been stated about these bills, why it would not be fair, without endangering the precedents of the House, to permit two motions to recommit and let the House express itself on two bills or on three?

Mr. SNELL. The Rules Committee has voted unanimously to do the other thing. We went into the question very carefully, we have considered the whole proposition from every angle, and we believe, considering all the conditions, we have reported a fair rule and one that will give the Members full and free opportunity to express themselves and legislate on this most important subject. [Applause.]

BOARD OF VISITORS TO THE NAVAL ACADEMY

The SPEAKER. The Chair appoints the following Members to the Board of Visitors to the Naval Academy.

The Clerk read as follows:

Mr. RAMSEYER, Mr. ACKERMAN, Mr. UNDERHILL, Mr. LINTHICUM, and Mr. QUAYLE.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed concurrent resolution (H. Con. Res. 49) relating to the celebration of the two hundredth anniversary of the birth of George Washington.

The message also announced that the Senate had passed Senate bills of the following titles, in which the concurrence of the House is requested:

S. 4910. An act granting certain lands to New Mexico College of Agriculture and Mechanic Arts for the purpose of conducting educational, demonstrative, and experimental development with livestock, grazing methods, and range forage plants; and

S. 5415. An act for the relief of Roswell H. Bancroft.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 16462) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1927, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1927, and for other purposes," disagreed to by the House of Representatives, and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and has appointed as conferees on the part of the Senate Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN.

The message also announced that the Vice President appointed Mr. STANFIELD and Mr. PITTMAN members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of the Interior.

SENATE BILLS REFERRED

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 4910. An act granting certain lands to New Mexico College of Agriculture and Mechanic Arts for the purpose of conducting educational, demonstrative, and experimental development with livestock, grazing methods, and range forage plants; to the Committee on the Public Lands.

S. 5415. An act for the relief of Roswell A. Bancroft; to the Committee on Claims.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. FUNK. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the District of Columbia appropriation bill; and, pending that motion, I would like to inquire of the gentleman from New York [Mr. GRIFFIN] if we may reach an agreement as to the amount of time for general debate. My own suggestion would be to limit the amount of time for general debate to about six hours.

Mr. GRIFFIN. I will say to the gentleman that I have requests on this side for four hours and five minutes, and it is possible other requests will come in.

Mr. FUNK. Would the gentleman agree to seven hours, one-half to be controlled by himself and one-half by myself?

Mr. GRIFFIN. That will be agreeable.

Mr. FUNK. Mr. Speaker, I ask unanimous consent that the time for general debate shall be seven hours, one half to be controlled by the gentleman from New York [Mr. GRIFFIN] and the other half by myself.

The SPEAKER. The gentleman from Illinois moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16800, the District of Columbia appropriation bill; and, pending that, he asks unanimous consent that the general debate on the bill be limited to seven hours, one-half to be controlled by himself and one-half by the gentleman from New York [Mr. GRIFFIN]. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the motion of the gentleman from New York.

The motion was agreed to.

The SPEAKER. The gentleman from New York [Mr. CHINDBLOM] will kindly take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16800, the District of Columbia appropriation bill, with Mr. CHINDBLOM in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16800, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 16800) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenue of such District for the fiscal year ending June 30, 1928, and for other purposes.

Mr. FUNK. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

The CHAIRMAN. According to the order of the House, the general debate will be limited to seven hours, one-half to be controlled by the gentleman from Illinois [Mr. FUNK] and one-half by the gentleman from New York [Mr. GRIFFIN].

Mr. FUNK. Mr. Speaker, I propose to explain the bill just prior to the reading of the bill under the five-minute rule, and I now yield 25 minutes to the gentleman from Illinois [Mr. WILLIAM E. HULL].

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. WILLIAM E. HULL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and I would prefer not to be interrupted until I am through reading my speech.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Illinois also requests not to be interrupted until he has finished.

Mr. WILLIAM E. HULL. Mr. Chairman and gentlemen of the committee, in my remarks of to-day I want to be very explicit in stating in advance that they have no reference to prohibition, the eighteenth amendment, or the Volstead Act. However, I have been importuned by many Congressmen to make a statement in reference to the subject pertaining to medicinal whiskies. I therefore believe it is my duty to impart what knowledge I may have on the subject to the Congress of the United States.

First of all, I will explain to you the processes of manufacturing three grades of spirits.

For your information in the outset, the Government does not treat any of these articles as whisky, but all products are known to the Government as spirits. This may include what we term whisky, rye, bourbon, malt, gin, brandies, and other products produced by distillation.

The process is similar for the manufacture of all of these products, with the exception of spirits, which is a redistillation of high wines to the purest article that can possibly be made, and that is Cologne spirits.

In manufacturing Cologne spirits the process is as follows: First, the corn meal is cooked, then it is carried over to the fermenting tubs, the yeast is put into the fermenter with the cooked corn meal. There it remains 72 hours and during that time comes to a complete fermentation. It is pumped over into what is designated as a beer still. There it is distilled into a high wine. This high wine in reality is whisky.

But, if you want to complete the distillation of the high wine into spirits, you put this product into what is called the alcohol still, which is nothing more than a large copper vessel with a steam coil in the bottom.

This process of distillation carries the vapor into a column, where it is carried through by the same process as through the beer still, comes out as vapor, is condensed through the condensers, and carried over into what is called the rectifying house, where it is pumped through charcoal and then becomes what is known as Cologne spirits, or the purest article made.

The beginning of the process of distillation and the ending of it is thrown into the alcohol tub and is known as alcohol, being practically the same thing, only carrying with it some of the fusel oils which could not be entirely removed by the process as aforesaid.

This spirit can be reduced back to 100 proof, put into a charred barrel, and aged, but the flavors will not reappear because they have all been taken out by distillation. However, from a purity standpoint, it is in reality the purest whisky that could be made.

Next in the distillation of what is known to the trade as Bourbon whisky, the distillation is similar to the first distillation of spirits, except in the manufacture of Bourbon whisky, which, by the way, derives its name from Bourbon County, Ky., its principal ingredient is corn.

Mr. BLANTON. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. There is a law passed by this Congress——

The CHAIRMAN. The gentleman will state his point of order.

Mr. BLANTON. I am stating it now; there is a law passed by Congress which prohibits advertising and the distribution over the United States of any recipe for the manufacture of distilled spirits. The gentleman from Illinois now is placing in the CONGRESSIONAL RECORD, and has placed in the CONGRESSIONAL RECORD the mode and manner of distilling intoxicating liquor of various kinds and the various modes, when he knows that the CONGRESSIONAL RECORD can be reprinted and distributed all over the United States to every address in the United States.

The CHAIRMAN. Can the gentleman from Texas state to what parliamentary rule he refers?

Mr. BLANTON. I make the point of order that the gentleman is not in order in placing in the RECORD, where it can be distributed in violation of the law, recipes for distilled liquor.

Mr. WILLIAM E. HULL. If the gentleman will allow me to go on, I feel sure he will not object. My remarks will carry out what the gentleman has in mind.

Mr. BLANTON. What the gentleman has placed in the RECORD can be reprinted and circulated in violation of the law.

The CHAIRMAN. The gentleman from Texas has not stated a point of order, in the opinion of the Chair, but in so far as he has claimed a point of order the Chair overrules the point of order. [Laughter.]

Mr. WILLIAM E. HULL. Usually, in a high-class Bourbon the formula is as follows: Twenty-five per cent rye, 10 per cent malt, 65 per cent corn.

Usually, in a high-class Bourbon the formula is as follows: Twenty-five per cent rye, 10 per cent malt, 65 per cent corn.

The process of distillation usually for manufacturing this class of goods is similar as I have said about spirits, except a three-chamber still is used in distillation of the high wine instead of a continuous still that is used for spirits. Whisky of this character should be placed in the charred barrel at 100 proof and carried for four years in a steam-heated warehouse, and usually during that time will mature and ripen to a quality satisfactory to the taste and health of those who may use it.

A pure rye whisky is made sometimes in two ways, more frequently by using 80 per cent rye and 20 per cent malt. Some few distilleries use all rye by malting portions of their rye. It is made exactly in the same way that the Bourbon whisky is made, and should be treated in the warehouse the same.

For your information, a pure rye whisky was never used largely for drinking purposes as it came from the rye distillery, but was used for flavoring or blending purposes. Most all of the advertised ryes during olden times were not pure rye, but were made of the Cologne spirits, as I have spoken of before, and a mixture of these ryes which made a palatable and pure article.

When it comes to a medicinal standpoint, either of the three that I have designated would answer the purpose satisfactorily to the physician. My personal judgment is that the purest of the three would be the spirits. It would not taste so well, but it would operate equally as well or better on the human system.

Mr. BLANTON. Mr. Chairman, will the gentleman yield right there?

Mr. WILLIAM E. HULL. Not until I have finished.

The Bourbon whisky, in my judgment, would be the best for the doctor to prescribe, because it carries with it both the rye and the corn; the flavors are not so high; it is not so pungent; the effect on the system would probably be the same as with rye. On the other hand, those who have been in the habit of using what is known as a rye whisky might be better satisfied to use a distillation of rye.

So a whisky for medicinal purposes that I would recommend would be one of the three formulas, or some little change in the portion of grain would not be material one way or the other.

Whisky can be made in its original state to-day at the following prices, taking a basis of grain as follows: Corn at 60 cents, malt at 70 cents, rye at 90 cents. Cologne spirits could bemade and barreled at 26 cents per gallon; Bourbon whisky, according to the specifications that I have given, at 37 cents; rye whisky at 40 cents.

The carrying charges, including interest, insurance, storage, 5 cents per barrel per month, at the rate of 4 cents per gallon per year. Four years would add sixteen cents for carrying charges.

If the tax was put back at $1.10, figuring rye whisky, which is the highest priced one, would cost $1.80 per gallon, tax paid; could be bottled, one dozen quarts, $7.50 per case, or two dozen pints at $8 per case.

The Bourbon could be bottled at 15 cents less per case, and the spirits at 20 cents less per case.

So, at the extreme cost on a basis of $1.10 Government tax, a pint of whisky would cost 30 cents.

The reason that I have given you these processes is because if a law is passed in Congress it would seem to me it would be the duty of those framing and passing the law to put a restriction upon the price to be charged to the patient buying the whisky for medicinal purposes. First of all, the Government should reduce the tax to $1.10 a gallon, or if this is for humanity, then take it off entirely.

If a pint of 4-year-old bottled-in-bond whisky actually costs 30 cents and we should add a profit of 50 cents per pint, this would make the price to the patient buying the whisky for medicinal purposes 80 cents. It would seem to me that this would meet the general approval of the buying public, because before the war all such whiskies sold at retail at 75 cents per pint.

This would put the price of whisky so that those with moderate means who really need whisky for medicinal purposes will have the opportunity of buying it. The poor people of this country need medicinal whisky much more than the rich people because of the fact that the laboring men and women are more exposed to the elements, are poorly clothed, overworked, and many times underfed. So their interest should be taken into consideration in the passing of this law.

If the Congress should, by its legislation, establish the price of medicinal whisky to a point where the poor man can not purchase it, it will then increase the bootlegging of the country, to the detriment of the Nation.

When the original denaturing of alcohol was commenced, January 7, 1906, by the distillers of the country under a law passed by the Congress of the United States, distilled spirits, alcohol, and whisky were sold in a regular way. Denatured alcohol, although allowed to be denatured within a certain distance of the distillery, was placed in green barrels and a caution notice placed thereon. Wood alcohol was used at that time.

No one presumed then that there would ever be any inducement to redistill the product and sell it for a beverage.

Since that time the Government has enacted the eighteenth amendment and stopped the sale of grain alcohol and the sale of all kinds of spirits. Consequently it has put in the hands of the unscrupulous bootlegger the opportunity of redistilling the denatured alcohol that contained wood alcohol and selling it as genuine grain alcohol. Of course, under the old law there would have been no inducement to do this because of the fact that spirits and alcohol were available at that time.

Wood alcohol mixed with alcohol makes the most deadly poison to the human system. It is a slow poisoning, affects the eyes first, and will gradually affect the human system to a point of death. I do not believe that there is any ingredient that could be put in alcohol that would be more dangerous to life than wood alcohol.

So it would seem to me under existing circumstances as they are to-day, if the Government should put a high price on medicinal whisky, and with the unscrupulous bootlegger redistilling denatured alcohol, coloring it, and marking it "whisky," and then selling it to the poor, why is it not a fact that the Government is indirectly responsible for the poisoning of the men drinking the alcohol redistilled? I do not mean to say that you could hold the Government accountable for it, but the Government is certainly the one who put the poisoning in, and by raising the price of medicinal whisky and making it possible for this other product to be offered at a reduced price it certainly should be considered a dangerous practice for the Government to establish.

Congress should pass a law insuring the public that they may purchase a pure, unadulterated whisky 4 years old at a reasonable price, so that everybody can buy it when they need it, that it will be made in quantities large enough to supply the demand for medicinal purposes, and also pass another law taking poison out of denatured alcohol.

Mr. BLANTON. Mr. Chairman, will the gentleman yield now?

Mr. WILLIAM E. HULL. No; wait until I get through. It is not my purpose to cast any reflection on the prohibition officers.

It is not my purpose in making these statements to cast any reflection upon the Prohibition Enforcement Office of the country or the men hired to do their work to enforce the law that was placed upon the statute books of this Nation. It has been my purpose at all times to vote for appropriations large enough to give those who are in charge of the enforcement of the law the machinery to enforce it. I think as long as it is a law we ought to give it a fair trial.

Whether whisky is a necessity to life or not I am not here to say. There is no doubt but what alcohol is an absolute necessity, because many of our drugs are made of alcohol and people must use it. The doctors, many of them, disagree as to whether whisky is beneficial or not. If it is used as medicine it can not be harmful. If it saves a life, it is valuable. The law provides that we shall have medicinal whisky.

So, at the suggestion of a number of the members of the Ways and Means Committee, I am coming before this House to present a plan or a bill for your consideration. In forming this bill I have used the knowledge that I have of the distilling business that may be of service to the country. In drafting the bill I have thrown all of the precautions around it so as to prevent an abnormal price for the manufacture of whisky for medicinal purposes in the future.

The present stocks of whisky are not large. They have been transferred from time to time from the distiller to the dealer and from the dealer to the layman. Consequently an abnormal price exists to-day on all whiskies now in bond.

In purchasing these whiskies it will take men who are thorough in this line of business to gather up the warehouse receipts from all over the country and to buy the whiskies at a reasonable price, so that they can be tax paid and bottled and sold to the consumer. This bill, in part, is for the purpose of purchasing all of the warehouse receipts in the country and carrying them for the length of time necessary before they shall be bottled in bond and placed upon the market. It will become necessary to buy every barrel of whisky and preserve it in order to give the people of the United States enough 4-year-old whisky for medicinal purposes. When this stock is exhausted, unless we manufacture immediately a new crop of whisky, then we will be obliged to import from other countries whisky for medicinal purposes under the law.

At the present time there are many distilleries throughout the country that have not been dismantled, equipped with all of the machinery necessary to distill whisky and with warehouses well equipped with the latest heating processes for aging, so that a company can easily contract for the whiskies necessary to be made.

The distillers owning these manufacturing plants are all men of great experience. They are men who have a record for honesty and integrity as no distiller ever violated the internal revenue laws in his life. They can make the whisky better and cheaper than any new organization that could be formed could make it because they not only understand the distilling business but they have the properties at a very low valuation so as to keep the overhead expense at a minimum.

And I have prepared a bill on this basis, first, that the Government of the United States who must control the distilling of the whisky and the distribution of it will have absolute control. Of course, this in a measure, puts the Government in the whisky business, but the Government is in the whisky business now and will be in the whisky business if they control the whisky business. If you were to form a large corporation, as has been suggested to the Ways and Means Committee in another bill, putting out gold bonds practically guaranteed with the Government behind them that puts the Government in the whisky business.

It would seem to me that the better plan is to eliminate all heavy overhead expenses and conduct the business direct from the Secretary of the Treasury.

What I propose is this, to form a company owned by the United States Government of $1,000,000 capital under the direction of the Secretary of the Treasury. This, then, will be a Government controlled and owned company without profit. Its formation should be as follows: Three directors should be appointed by the Secretary of the Treasury; one member designated shall be an individual experienced in the business, including the operation of a distillery, knowing the cost and the quality of whisky and competition of purchasing and selling whisky and shall be known as the president and manager. The salary for this individual shall not exceed $12,000 per annum. The salary for the other two directors, known as the secretary and treasurer, shall not exceed $7,500 per annum. A director or officer of the corporation shall receive no compensation in addition to that provided by this law.

With this kind of a set-up you can go to the distillers of the country and make contracts with them to manufacture the amount of whisky needed for medicinal purposes at a very reasonable price. In the bill I have suggested one distillery or more can be used for this purpose but not more than six. The reason that I put a restriction upon the amount of distilleries to be used is because the quantity of whisky is not large and no distillery could well operate by the year under less than 20,000 barrels.

A distillery can make whisky on the present cost of grain for 37 cents to 40 cents a gallon. I propose in this bill that the distiller shall be allowed 10 cents a gallon profit; that he shall be allowed 8 cents per barrel per month for storage; and that at the end of four years when the whisky can be bottled under the law, he is to be allowed on all of the whisky manufactured by him 50 cents net profit a case for bottling. At these profits most any distillery in the United States would be glad to contract and to agree to carry the whisky for a term of five years. Of course, when the five years are up the Government must pay the distiller for the whisky, because if it were left indefinitely, for the Government to pay for it, it would be a hardship upon him and he could not make a reasonable contract without a definite time set for him to get his money.

Another provision in this bill to protect the Government is this: The distiller shall be held responsible for any leakage in the barrels during these five years up to 1 gallon of the Carlisle allowance. This was just what the distiller had to conform to before he was closed down and prevents the stealage and leakage of whisky from the barrels.

In reference to the purchase of old whiskies and the way that I propose to carry the whiskies are as follows: When these warehouse receipts are purchased from the holder a regauge by a Government gauger is to be made of each package. The price paid for the whisky will be on this regauge per proof gallon. Then these warehouse receipts purchased by this company will be turned over to the Secretary of the Treasury who in turn will advance to the company the same amount of money that the company paid for the certificates. The Secretary of the Treasury is perfectly safe in this transaction because he is acquiring exactly the amount of whisky that is in the barrel.

When it becomes time to bottle the whisky represented by these warehouse receipts, they are turned back to the company by the Secretary of the Treasury at the same price that they were valued at plus the interest for the time the Secretary of the Treasury has carried it.

And the company then bottles the whisky, ships it to its destination for distribution, sells it to the drug trade under the law, and makes a sight-draft bill of lading attached on every shipment. There can be no loss in this transaction and a reasonable profit can be added so as to take care of all necessary expenses. There is provided in the bill that an appropriation shall be made by the Congress of the United States at the request of the Secretary of the Treasury for the purpose of handling this peculiar business. It does not put the Government actually into the business except as to the furnishing of the money to carry on the business because the distiller will do the manufacturing and the company, although a Government company, will do the distributing and the Treasury of the United States will furnish the capital.

Those who desire to carry out the present law, including the manufacture of whisky, that is a part of the law, to distribute it to the drug trade for medicinal purposes under the law to stop bootlegging in the Nation and to give the people good sound four-year-old whisky should not disqualify the Government from doing the things that are proposed.

I am not going into all of the details in the bill because the average man would not understand these details, but the Congress of the United States can be assured that nothing has been left out of this bill necessary to protect the Government in every way in enforcing the provisions of the eighteenth amendment or in protecting the transportation of whisky in bond, and also in transit, while being delivered to the trade.

It would, therefore, seem to me that every Member of Congress should read this bill carefully, familiarize himself with its details, and give it careful consideration. If it should meet the approval of the members of the Ways and Means Committee and should be reported to the House, then this bill might be passed, even at this session of Congress, because, according to the law, the Government must furnish medicinal whisky and the Congress should authorize the Secretary of the Treasury to have manufactured for medicinal purposes sufficient whisky for the people who will need it in the future. [Applause.]

Mr. BLANTON. Mr. Chairman, now will the gentleman yield?

Mr. WILLIAM E. HULL. I yield.

Mr. BLANTON. The gentleman has expressed his opinion that it is absolutely necessary that the poor people should have medicinal whisky. Of course, I am in favor of the poor enjoying every right and privilege which the law accords to the rich. The law should apply to them exactly alike. But I want to call my friend's attention to the fact that Doctor Mayo, who is one of the leading surgeons of the United States, has recently expressed his opinion, as an expert, that medicinal whisky is not necessary either for poor people or the rich people. Does the gentleman put his opinion up against that of Doctor Mayo?

Mr. WILLIAM E. HULL. I do not put my opinion up against anybody's opinion. I say, if poor people need it, they should have it.

Mr. BLANTON. The gentleman is not a medical man?

Mr. WILLIAM E. HULL. No.

Mr. BLANTON. Would the gentleman mind telling us whether he is still interested in distilleries?

Mr. WILLIAM E. HULL. I am not; and I would not walk across the street to become interested in one.

Mr. BLANTON. But the gentleman has been interested in distilleries in the past?

Mr. WILLIAM E. HULL. I do not deny that; 10 years ago. I have not been interested in distilleries since the prohibition law went into effect.

Mr. BLANTON. The gentleman does know, though, that there are many doctors over the United States now to whom

any well person can go and get a medicinal prescription for the money? He does know that?

Mr. WILLIAM E. HULL. I presume so.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SIMMONS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. GARNER of Texas. My colleague from Texas thinks this is a matter relating to whisky prescriptions, but it has no reference to that at all. If you are going to stop the distribution of liquor for medicinal purposes, that is another question, but the gentleman's proposition is that as long as you are going to distribute liquor for medicinal purposes he thinks the poor man ought to be able to get a prescription just the same as a rich man.

Mr. WILLIAM E. HULL. Certainly.

Mr. GARNER of Texas. The purpose of the gentleman's bill is to concentrate all these liquors, both the present supply and the future supply, under the absolute control of the Government so that these liquors may be sold for medicinal purposes at a reasonable price and so a prescription will not cost from $5 to $10, and the gentleman's contention is that there will be no more prescriptions given at a cost of 50 cents than there would be at a cost of $5, because the Government will limit it to about $2,000,000 a year.

Mr. WILLIAM E. HULL. That is correct.

Mr. GARNER of Texas. And instead of the rich people getting it as they do at the present time, it would afford the poor man an opportunity to get a prescription for 50 cents or $1. The difference is that under the gentleman's bill all of this whisky would be under the control of the Treasury Department instead of being concentrated in the hands of a private corporation having a practical monopoly and having an opportunity to charge unconscionable prices. That is the difference in the two propositions?

Mr. WILLIAM E. HULL. Yes.

Mr. BLANTON. The gentleman is not for the administration liquor bill that is now pending before the Ways and Means Committee?

Mr. WILLIAM E. HULL. No.

Mr. BLANTON. And I am not for it, either.

Mr. WILLIAM E. HULL. So we have agreed once in our lives.

Mr. BLANTON. We have agreed that we are against that liquor bill.

Mr. LINTHICUM. Will the gentleman yield?

Mr. WILLIAM E. HULL. Yes.

Mr. LINTHICUM. The gentleman from Texas has been talking about the cost of a prescription, but there is a vast difference between the cost of a prescription and the cost of the filling of a prescription. The gentleman is talking about the cost of the filling of a prescription.

Mr. WILLIAM E. HULL. I claim we ought to buy a pure, sound, 4-year-old whisky for 80 cents a pint.

Mr. LINTHICUM. But that is not the question I wanted to ask the gentleman. [Laughter.] I do not see where the joke is myself, but I was trying to differentiate——

Mr. SABATH. The gentleman has pointed out how much more whisky costs than it should cost, and that is where the joke is.

Mr. LINTHICUM. I was trying to differentiate between the cost of a prescription and the cost of filling the prescription, but what I really wanted to ask the gentleman was this: Have you any information as to what the druggists are now paying for the liquor they are selling at $2.25 or $2.50 a pint?

Mr. WILLIAM E. HULL. Thirty dollars a case.

Mr. LINTHICUM. How many pints are there to the case?

Mr. WILLIAM E. HULL. There are 24 pints to a case, which would make, say, an average of $1.15 a pint, while under this bill the cost would be $8.50 to $9 a case, and that would make the cost about 30 cents to 35 cents a pint.

Mr. LINTHICUM. Then the druggists are making a profit of $1.25, $1.50, or $2 on every prescription?

Mr. WILLIAM E. HULL. The price of whisky to-day in the drug stores is abnormal and the druggists are making enormous profits out of it. Of course, a druggist is entitled to make 50 cents a pint; it will cost 30 cents a pint to make it, and that would make it sell at 80 cents a pint—that is, for the new crop of whisky to be made.

Mr. LINTHICUM. If the gentleman's bill should be adopted, what would prevent the druggists from still charging these high prices?

Mr. WILLIAM E. HULL. I have provided in my bill for the putting of the price on the bottle if it becomes necessary to protect the customer.

Mr. BLANTON. Will the gentleman yield for another question?

Mr. WILLIAM E. HULL. Yes.

Mr. BLANTON. I take it the purpose of the gentleman is to make whisky as easy to get as possible.

Mr. WILLIAM E. HULL. No, sir.

Mr. BLANTON. Some of our wet friends——

Mr. WILLIAM E. HULL. You are asking me a question; do not make an argument.

Mr. BLANTON. Some of our wet friends would have it distributed through the folding room.

Mr. WILLIAM E. HULL. Do not go into an argument, but ask your question and I will try to answer it fairly.

Mr. BLANTON. Is there any provision in the gentleman's bill to distribute whisky through the folding room?

Mr. WILLIAM E. HULL. That is nonsense, and I will not answer it.

Mr. GREEN of Florida. Will the gentleman yield for a question?

Mr. WILLIAM E. HULL. Yes.

Mr. GREEN of Florida. Under the provisions of the gentleman's bill would there be any restriction as to the amount of liquor that may be prescribed? In other words, will there not be a great deal more whisky prescribed under the proposed bill?

Mr. WILLIAM E. HULL. That all depends on your law-enforcement officers. The law regulates the permits, and, of course, whatever permits are granted will probably be used for prescriptions; but this law has nothing to do with anything except the manufacturing, bottling, and purchasing of the old whisky.

Mr. GREEN of Florida. If it can be purchased cheaper, would not a great deal more whisky be used?

Mr. GARNER of Texas. No; they could not use any more whisky than the prohibition law now permits. At the present time every drop of whisky for which permission is given to be used is used and is purchased at a high price.

Mr. WILLIAM E. HULL. That is quite true.

Mr. GARNER of Texas. And under the gentleman's bill there would not be any more liquor purchased, but it would be purchased at a lower price.

Mr. WILLIAM E. HULL. And the poorer people would be able to buy it for medicinal purposes.

Mr. CONNALLY of Texas. Regardless of what the gentleman has said, if it is to be used for medicinal purposes, ought it not to be as cheap as it possibly can be made, because the Government ought not to tax something that is going to be used as a medicine?

Mr. WILLIAM E. HULL. Exactly so.

Mr. SABATH. And under the gentleman's plan it would be manufactured only in one or two places, which would reduce the cost of supervision by the Government.

Mr. WILLIAM E. HULL. Yes. [Applause.]

The. CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRIFFIN. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman and gentlemen of the committee, I rise this morning not for the purpose of discussing medicinal whisky but to call the attention of the membership of the House to a matter which I think is of very serious import because it affects the health of the Members. I refer to the ventilation of the present Chamber of the House.

I have talked with the architect, Mr. Lynn, and I can say to the membership that Mr. Lynn is very much in favor of changing the ventilating system of the House of Representatives. The Senate recently made an appropriation of $185,000 to improve the ventilation in the Senate Chamber. This will not only provide the necessary ventilation, but by means of cooling equipment give a means of automatically controlling both the temperature and the humidity. In the summer time, to maintain comfortable conditions, it is, of course, necessary to dehumidify the air in addition to lowering its temperature. Simply lowering its temperature alone will not produce comfortable conditions. All the air handled either in summer or winter should be thoroughly cleaned.

I am reading from a statement that was prepared by the architect, Mr. Lynn. Mr. Lynn, in further talking about this matter, said that there is sufficient air being pumped into this Chamber from the bottom, but it is not cleaned, nor is it cool in the summer time.

I want to call the attention of the responsible leadership of the House to the fact that I think if the Senate is going to have the ventilation of its Chamber improved, we should have the same improvement here in this Chamber. I do not see why there should be an improvement in the ventilating system of the Senate and none in the House.

Mr. LINTHICUM. Does not the gentleman think the Senate needs ventilation more than we do?

Mr. ABERENTHY. Well, I am not permitted to speak on that subject under the rules of the House. [Laughter.]

I want to call the attention of the House to the fact that since November 18, 1922, 27 Members of this body have died from various causes; whether or not this had any connection with the ventilating system in this Chamber I am not advised, but I do know that men who sit here day in and day out feel very much depressed at the end of a session. Everybody speaks of that, and we know that something ought to be done.

At the present time the subcommittee of the Committee on Appropriations that has to deal with legislative appropriations is considering various questions, and, as I understand it, they have the authority under the law to make this appropriation. I have talked with the gentleman from Tennessee [Mr. BYRNS], a member of the committee, and with other members of the Appropriations Committee and other Members, and I think if sufficient interest is shown here by the membership of the House we can have this Chamber properly ventilated by the installation of a proper system during the recess after the 4th of March.

I only rose for the purpose of calling this matter to the attention of the House, because I think it is of serious and of very great importance. [Applause.]

Mr. GRIFFIN. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. WHITTINGTON]. [Applause.]

Mr. RANKIN. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN (Mr. ARENTZ). The Chair will count.

Mr. RANKIN. Mr. Chairman, I withdraw the point of order.

Mr. WHITTINGTON. Mr. Chairman and members of the committee, I desire to present an angle of the agricultural situation relating to cotton that has not so far as I know been brought to the attention of the House.

The people of the whole country, whether they are producers or consumers, are interested in the right solution of this great agricultural question. The problem can not be solved by private agencies, otherwise there would not be bills introduced in the Congress for the relief of agriculture by the Government. The producers and the consumers are all interested in the stabilization of price and of production.

I remind you that a surplus in any of the great agricultural commodities makes but little difference so far as the price paid by the ultimate consumer is concerned. A reduction in the price of cotton is not reflected in the price paid by the consumer for an article largely made up of cotton. A material reduction in the price of corn or of wheat is not reflected in the price paid by the consumer for his bread. There is no corresponding reduction in price of a loaf of bread.

The plan that I propose and ask you to adopt is a plan that has been worked out not by theorists or politicians but by hard-headed business men, who aspire to no political preferment, men who are interested at once in the production as well as in the marketing of the greatest staple produced on the American farm.

INSURANCE AGAINST SEASONAL DECLINE IN PRICES OF COTTON

A very large proportion of cotton growers are compelled to sell their cotton for what they can get, even though the price does not reflect actual market conditions, in order to satisfy their loans. The inability of cotton cooperative associations to advance their members substantially the market price at the date of the delivery of their cotton prevents many producers from joining such associations.

The Staple Cotton Cooperative Association, located in the Mississippi Delta, of which I am a member, developed a plan during the past season to provide its members with a very much larger advance by selling future contracts against their holdings, thus guaranteeing the bank that made loans to the association against any losses on cotton through the profit that would accrue on the futures. This is the ordinary hedging transaction used by spinners. This method involves interest on the futures and additional financing.

Cotton is a world product, or is rather controlled by the world price, and the average grower will be satisfied to obtain the average price during the annual period. The provident grower will arrange to carry the surplus from year of overproduction over to the lean and unproductive years.

I call attention to a plan that has been proposed by Mr. O. F. Bledsoe, jr., president of the Staple Cotton Cooperative Association, a successful cotton planter and one of the ablest cotton men in the country, whereby members of the cooperatives would receive approximately the spot middling market price for their cotton on the day of delivery, and if the average annual price of cotton should be higher they would receive the benefit of the higher price.

As I understand, no general public hearings were held by the House Committee on Agriculture during the present session on the agricultural surplus control bill, commonly known as the McNary-Haugen bill, but Mr. Bledsoe appeared before the Senate Committee on Agriculture, and his views on the proposed plan may be found in the hearings of the committee on the McNary bill, reported to the Senate.

I may say, in this connection, that New Orleans has the record of being the most stable cotton market in America, and that quotations of spot cotton on that market are generally used as the basis for spot cotton transactions in the South. It has been ascertained from statistics of the New Orleans Cotton Exchange that there has been a uniform trend of prices for the last 20 years. Mr. Bledsoe has originated, and I propose, a plan, based upon thorough investigation, for procuring insurance against any loss on account of sales of cotton during the annual period.

Statistics for a period of 20 years, from September 1, 1905, to August 31, 1925, show that with the exception of 5 years, the average price of cotton during the harvesting or delivery season, which is the period from September 1 to December 31 in which farmers usually sell their cotton, is lower than the average price of cotton for the 12 months beginning September 1 and ending August 31.

The five years in which there were exceptions, and in which the trend has not held good, are all susceptible to reasonable explanations, due to unusual conditions, most of which are certainly not likely to occur again.

Many of us have been studying this matter, and we are convinced that it would be for the substantial gain of the cotton grower if a plan of insurance against crop decline during any one year could be put into effect. Under the plan which Mr. Bledsoe proposes, and which I now advocate, using freely his thoughts and frequently his words, the cooperative cotton associations would be guaranteed that their weighted average delivery spot price during the delivery period, that is, from September 1 to December 31, would not be less than their average selling price for the year, that is, from September 1 to August 31. The result would be that such associations would be able to pay their members approximately the full spot market price for their cotton at the time of delivery, less carrying charges, which consist of freight adjustment, one year's insurance, storage, and interest.

The examinations of the daily price records of the New Orleans Cotton Exchange for the period mentioned were made by Ernst & Ernst, public accountants. I embody herein the result of these examinations:

First. A letter from Messrs. Ernst & Ernst to Mr. O. F. Bledsoe, jr., dated September 1, 1926, covering examinations of the New Orleans Cotton Exchange, and giving the average prices of middling spot cotton for the delivery and for the annual seasons for the 20 years, which show the average price during the farmer's delivery season from September 1 to December 31 to be 17.55 cents per pound, while the average price during the entire season from September 1 to August 31 is 18.03 cents per pound, or the average price for the year is 0.58 cent, or a little over one-half a cent per pound, more than the average price during the harvesting, or farmer's selling period, as follows:

27 CEDAR STREET, *September 1, 1926.*

Mr. O. F. BLEDSOE, Jr.,
President Staple Cotton Cooperative Association,
Greenwood, Miss.

DEAR SIR: We hereby certify that we have examined the daily price records of the New Orleans Cotton Exchange from September 1, 1905, to August 31, 1925, and find that the average prices reported for middling spot cotton for the periods from September 1 to December 31 and from September 1 to August 31 were as follows:

Sept. 1 to Dec. 31—	Average price	Sept. 1 to Aug. 31—	Average price
	Cents		*Cents*
1905	10.86	1905–6	10.92
1906	10.22	1906–7	11.22
1907	11.48	1907–8	11.14
1908	8.93	1908–9	10.03
1909	13.79	1909–10	14.51
1910	14.26	1910–11	14.39
1911	9.85	1911–12	10.87
1912	11.99	1912–13	12.26
1913	13.29	1913–14	13.23
1914	7.29	1914–15	8.29
1915	11.45	1915–16	12.15
1916	17.56	1916–17	19.78
1917	26.47	1917–18	29.40
1918	30.88	1918–19	30.01
1919	36.15	1919–20	38.38
1920	20.21	1920–21	14.75
1921	18.21	1921–22	18.71
1922	23.34	1922–23	26.15
1923	31.39	1923–24	30.51
1924	23.45	1924–25	23.89
20-year average	17.55	20-year average	18.03

Attention is directed to the fact that in the year 1914 the exchange was closed during August and September. Therefore price of 7.29 cents above actually covers three months. The prices of 13.23 cents for the year 1913–14 and 8.29 cents for the year 1914–15 actually cover only 11 months of each year.

ERNST & ERNST.

Second. The summary of the New Orleans spot prices of cotton, as follows:

New Orleans exchange spot middling cotton

Year	January	February	March	April	May	June
1906	11.55	10.67	10.84	11.27	11.31	10.99
1907	10.44	10.48	10.82	10.79	11.88	12.81
1908	11.83	11.59	10.91	10.19	10.91	11.57
1909	9.33	9.43	9.38	10.03	10.58	11.03
1910	15.22	14.87	14.73	14.63	14.88	14.84
1911	14.95	14.62	14.55	14.70	15.48	15.26
1912	9.52	10.31	10.64	11.62	11.71	12.06
1913	12.58	12.51	12.45	12.43	12.29	12.44
1914	12.92	12.90	12.94	13.09	13.36	13.78
1915	7.87	8.01	8.34	9.42	9.04	9.11
1916	12.03	11.45	11.72	11.88	12.61	12.79
1917	17.33	17.14	17.93	19.51	20.01	24.18
1918	31.06	30.90	32.75	32.94	28.92	30.71
1919	28.84	26.94	26.83	26.70	29.37	31.94
1920	40.27	39.38	40.69	41.41	40.31	40.49
1921	14.53	12.85	11.03	11.16	11.79	11.03
1922	16.51	16.36	16.74	16.79	19.30	21.68
1923	27.51	28.78	30.43	28.42	26.53	28.61
1924	33.94	31.90	28.73	30.41	30.69	29.47
1925	23.66	24.60	25.63	24.51	23.53	24.06
Average	18.09	17.78	17.90	18.09	18.23	18.94

Year	July	August	September	October	November	December
1905			10.25	10.15	11.28	11.87
1906	10.95	9.97	9.24	10.75	10.35	10.48
1907	12.88	13.13	12.47	11.18	10.83	11.53
1908	10.80	9.92	9.10	8.92	8.96	8.74
1909	12.13	12.46	12.66	13.43	14.40	14.95
1910	14.92	14.91	13.49	14.19	14.49	14.84
1911	14.28	11.91	11.28	9.60	9.33	9.17
1912	12.93	12.04	11.36	10.94	12.15	12.80
1913	12.34	12.02	13.12	13.73	13.31	12.98
1914	13.33	None.	8.38	7.01	7.42	7.18
1915	8.71	8.93	10.40	11.95	11.50	11.88
1916	13.03	14.25	15.26	17.24	19.44	18.34
1917	25.41	25.03	21.68	26.75	28.07	29.07
1918	29.57	30.22	33.22	31.18	29.75	29.43
1919	33.93	31.37	30.37	35.18	39.57	39.88
1920	39.41	34.02	27.47	20.95	17.65	14.63
1921	11.48	12.77	19.35	18.99	17.27	17.17
1922	22.01	21.54	20.74	22.04	25.38	25.47
1923	25.73	24.22	27.70	29.18	33.68	34.88
1924	29.23	26.65	22.76	23.47	23.95	23.66
1925	23.97	23.07				
Average	18.85	18.33	17.01	17.34	17.93	17.94

Grand average 20 years, 18.03; September 1 to January 1, 17.55.

Third. Actual Staple Cotton Cooperative Association deliveries and prices for the years 1922–23, 1923–24, 1924–25, as compared with the theoretical average, show a gain of 0.11 cent per pound of actual delivery average over the theoretical delivery average, as follows:

Staple Cotton Cooperative Association

Month	Percentage of deliveries	20-year average price	Average delivery price
August	0.29	18.33	5.3157
September	26.27	17.01	446.8527
October	42.72	17.34	740.7648
November	23.02	17.93	412.7486
December	5.74	17.94	102.9756
January	.71	18.09	12.8439
February	.73	17.78	12.9794
March	.23	17.90	4.1170
April	.18	18.09	3.2562
May	.02	18.23	.3646
June	.04	18.94	.7576
July	.05	18.85	.9425
Total	100.00	18.03	17.44

Theoretical delivery average, Sept. 1 to Jan. 1	17.55
Actual based on association delivery average	17.44
Gain	.11

Fourth. Variations by annual seasons in middling spot quotations for the period of 20 years, as follows:

Variations in middling spot cotton quotations—New Orleans

Season	Loss	Gain
1905–6		0.06
1906–7		1.00
1907–8	0.34	(1)
1908–9		1.10
1909–10		.72
1910–11		.13
1911–12		1.02
1912–13		.27
1913–14	.06	(2)
1914–15		1.00
1915–16		.70
1916–17		2.22
1917–18		2.93
1918–19	.87	(3)
1919–20		2.23
1920–21	5.46	(1)
1921–22		.51
1922–23		2.81
1923–24	.88	(4)
1924–25		.44
	7.61	37.69

[1] Money panic.
[2] World War.
[3] Armistice signed.
[4] Crop estimate.

I also embody a statement, dated January 26, 1927, prepared by Mr. Bledsoe, giving profit and loss of seasonal cotton-price insurance from 1905 to 1919 and from 1921 to 1924, inclusive, which shows that the growers would have received, under the plan proposed, an increased amount for the annual period over the four months' delivery period in the sum of $1,011,325,750. The production during these years was 228,528,000 bales; and if the Government had underwritten insurance against decline in the annual price at a premium of $1 per bale, the premiums would have amounted to $228,528,000, while the losses would have been $120,783,450, leaving a profit of $107,744,550 to the Government. The said statement is as follows:

STAPLE COTTON COOPERATIVE ASSOCIATION,
Greenwood, Miss., January 26, 1927.

Profit and loss statement of seasonal cotton price insurance from 1905 to 1919 and 1921 to 1924, inclusive

Fiscal year	Bales produced	Value per pound, Sept. 1 to Dec. 31	Value per pound, Sept. 1 to Aug. 31	Increased amount received by growers yearly period over 4 months	Losses due to decrease in value, yearly period over 4 months
1905–06	10,575,000	10.86	10.92	$3,172,500	
1906–07	13,274,000	10.22	11.22	66,370,000	
1907–08	11,107,000	11.48	11.14		$18,921,900
1908–09	13,242,000	8.93	10.03	72,831,000	
1909–10	10,005,000	13.79	14.51	36,018,000	
1910–11	11,609,000	14.26	14.39	7,545,850	
1911–12	15,693,000	9.85	10.87	80,034,300	
1912–13	13,703,000	11.99	12.26	18,499,050	
1913–14	14,156,000	13.29	13.23		4,246,800
1914–15	16,135,000	7.29	8.29	80,675,000	
1915–16	11,192,000	11.45	12.15	39,172,000	
1916–17	11,450,000	17.56	19.78	127,095,000	
1917–18	11,302,000	26.47	29.40	165,574,300	
1918–19	12,041,000	30.88	30.01		52,378,350
1919–20	11,421,000	36.15	38.38	127,344,150	
1921–22	7,954,000	18.21	18.71	19,885,000	
1922–23	9,760,000	23.34	26.15	137,128,000	
1923–24	10,281,000	31.39	30.51		45,236,400
1924–25	13,628,000	23.45	23.89	29,981,600	
	228,528,000			1,011,325,750	120,783,450

Growers income from premiums payable on 228,528,000 bales of cotton at $1 per bale	$228,528,000
Losses due to decrease in value, yearly period over 4 months	120,783,450
Profit to underwriters	107,744,550

Baleage: United States Department of Agriculture.
Prices: Average spot middling prices of the New Orleans Cotton Exchange, New Orleans, La., certified to by Messrs. Ernst & Ernst, certified public accountants.

STAPLE COTTON COOPERATIVE ASSOCIATION,
O. F. BLEDSOE, *President.*

Mr. ESLICK. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I prefer to finish my statement, and then I will yield.

As stated, during 15 of the 20 years mentioned, the seasonal trend of the prices was upward; that is, the average of the prices during the selling period was higher than the average of the prices during the marketing season of the farmers. The years in which there has been a downward trend in which there has been a loss—that is, in which the delivery period average has been higher than the year's average prices, were as follows:

During the season of 1907–8 there was a loss of 34 points, or $1.70 a bale. This was the year of the great bank panic.

During the season of 1913–14 there was a loss of 6 points, or $0.30 per bale, due to the World War, when for more than two months during the delivery period all exchanges were closed, and there were practically no sales of cotton.

During the season of 1918–19 there was a loss of 87 points, or $4.35 per bale. This was the year of the armistice, and the loss was due to the fall in prices of cotton after the unusual demands of the war.

During the season of 1920–21 there was a loss of 546 points, or $27.30 per bale. This was the year of deflation. Such a condition could hardly occur in the future; and, inasmuch as the proposition is to be limited for one year, contracts for insurance made during such abnormal conditions as existed during the year 1920–21 would need to be given special consideration and should be eliminated from the plan here proposed.

During the season 1923–24 there was a loss of 88 points, or $4.80 per bale. This is the only year in the 20 years where the loss in price might possibly be ascribed to crop conditions. Because of the unusual crop conditions, the estimates of the crop during the delivery season as well as the estimates of the spinning activities in cotton proved to be quite short. There was an underestimate of supply and an overestimate of demand, with the result that a loss occurred during the whole season over the delivery season.

Except during these five seasons there has been an invariable gain for the selling over the delivery season.

Excluding the season of 1920–21, the average annual loss for the 19 years included in the calculations is 56.6 cents per bale. The monthly percentage of the Staple Cotton Growers Association deliveries multiplied by the 20 years average monthly price of the New Orleans Cotton Exchange shows that the actual delivery price is 17.44 cents against the theoretical 20-year average from September 1 to August 31 of 17.55 cents, a reduction of 11 points, which would reduce the average loss from 56.6 cents per bale to 46.3 cents per bale. The loss for the season 1920–21 is excluded for the reason that a contingent liability in deflation does not exist at the present. It would be unfair to include the loss due to inflation in 1920–21, as without deflation it is doubtful if there would have been any loss at all.

Assuming, however, for the sake of argument, that the loss for 1920–21 would have been the average of the other entire four years of loss, or $2.68 per bale, we get a total loss cost for the entire 5 years out of the 20 of $13.43 per bale, or $0.67 per bale per annum. Adding .33⅓ per cent for profit and expenses, in order to determine a reasonable insurance rate, would give a rate of $0.89½ per bale. It will be kept in mind that the aggregate loss cost for the four years, excluding the year 1920–21, amounts to $10.75 per bale.

The statistics which have been compiled show that the Government can safely guarantee that the members of the cooperative cotton associations would not receive less for their cotton than the average selling price during the year in consideration of the payment of a premium by the member of approximately one-fifth of a cent per pound, or $1 per bale. This would be approximately 46 cents per bale more than the actual loss during the period of 20 years, as already stated, and would be a sound business and insurance proposition.

The premiums paid by the associations would be used to reimburse the associations for losses that might occur and to provide a reserve for any future losses. The premium of $1 per bale would provide for unusual losses and allow for considerable margin, which would be placed in a reserve to take care of unusual conditions.

Mr. RANKIN. Will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. RANKIN. How will the proposed plan affect short cotton?

Mr. WHITTINGTON. The plan proposed is especially applicable to short-staple cotton. In fact, it would be more beneficial to short staple than it would be for long-staple cotton, for the grower of long-staple cotton must take the risks in so far as the difference between the value of his cotton and short-staple cotton is concerned.

There is no private agency that can finance the proposed plan. The proposition is safe; as an insurance measure it is sound. The Government can aid agriculture, and in this case a sound plan for financial aid by the Government is proposed.

The plan can be made effective by the following means:

First. By amending the McNary-Haugen bill so as to (a) eliminate the equalization fee on cotton, and (b) give authority to the Federal farm board to issue contracts to cooperatives under suitable regulations, and (c) to set aside a sufficient sum in the revolving fund as a guaranty for the insurance contracts on cotton, and it is suggested that from fifty to seventy-five million dollars would be sufficient for operations in cotton.

Second. By amending section 202 of the Federal farm loan act, as amended by the act of March 4, 1923, by adding a section which would read substantially as follows:

Provided, however, That loans or advances or renewals of loans made to cooperative marketing associations of agricultural producers engaged in the business of marketing cotton may equal the market value, less freight adjustments and one year's insurance, storage, and interest, as determined by the Federal farm loan board, on cotton covered by warehouse receipts or shipping documents, and when covered by insurance contracts against price decline.

Third. By amending section 205 of the Federal farm loan act to increase the capital stock of each Federal intermediate-credit bank from five million to ten million dollars. All of these provisions can be carried as amendments to the McNary-Haugen bill for the relief of cotton without interfering with the aid for other commodities.

THE BENEFITS

The benefits to be derived from the plan are:

First. Banks can safely advance to cooperative marketing associations the spot-market price on the day of delivery, less carrying charges.

Second. Cotton cooperative associations will be able to pay members the spot-market price for their cotton on the day of delivery, less carrying charges.

Third. Cotton cooperative associations and their members will be insured against losses in cotton, with the orderly marketing of the cotton of the members.

Fourth. Members of the cotton cooperative associations, in the event of their association obtaining higher prices than were paid to them for their cotton on the day of delivery, will receive the gain in price.

Fifth. The operating expenses of the cotton associations will be reduced considerably, because the members will be receiving the full market price on delivery, without subsequent partial payments.

Sixth. Inasmuch as the producer is not guaranteed a specific or artificial price, but is only guaranteed against a seasonal decline in price, based on supply conditions, the tendency to stimulate production in excessive quantities is not present under this plan.

Seventh. All of these features would combine to strengthen cooperative associations and would promote the orderly marketing of cotton. The result would be both price and production stabilization.

I may say that the proposed amendments could be embodied in the Curtis-Crisp bill, and if they are embodied, as I have suggested, the Government will give substantial aid to the cotton grower, without in any way interfering with the proposed aid to other commodities.

The Federal farm board as underwriters of the contract will be taking the position that the cotton trade of the world is right to the extent that they will at least get back the price they paid for cotton, without carrying charges, storage, insurance, and interest. [Applause.]

THE PROPOSED PLAN IS SOUND

The foregoing facts and statistics show that a Government agency would be warranted in indemnifying the cotton cooperative associations and the lending banks against losses arising from a decline during the annual season of delivery.

I may say in passing that all of the basic commodities in the McNary-Haugen bill, except cotton, are protected by tariff. In the event of surplus production of cotton, the Government can provide funds for handling the surplus and carrying it over into lean years without loss to the Public Treasury. The Government would only intervene when production was high and, necessarily, when the price was low. With proper handling there would be no loss in the case of cotton. The price obtained will be the world price. There is no necessity for an equalization fee in the case of cotton. The surplus, under the plan proposed, could be provided for. At the end of the year the unsold cotton could be covered into the following season. During a series of years there is no surplus that involves a problem in marketing. The Government can best assist in the problem of the surplus by aiding the growers to keep the surplus within their control. Surplus control by the producers in cotton is essential. I may say that the surplus of cotton is really low-grade cotton. When this surplus is taken out of the hands of the producers, it is taken from the only real friends that cotton has. This is true of any other agricultural commodity. In the very nature of the case, no legislation will be beneficial, whether it be the McNary-Haugen bill or the Curtis-Crisp bill, in so far as cotton is concerned, unless the legislation provides for the

proper financing of low grades of cotton. By low grades I do not mean inferior staple; I refer to the stain and color resulting from weather conditions. There is a market for low-grade cotton, and while the grower can harvest an average crop, it is impossible for him to harvest an unusual crop, with the labor at his command, before weather conditions are such as to make the grades inferior.

In order to enable cooperative marketing associations handling cotton to pay their members approximately the full spot market middling price for their cotton on the day of delivery, the Federal Farm Board, as created by the McNary-Haugen bill, or by the Curtis-Crisp bill, could allocate a revolving fund to cotton. The revolving fund for cotton would be used to make good the loss for any one year. The rate I have suggested is twice as much as is necessary to amortize the loss, based on a 20-year experience. The fee of $1 per bale as suggested would provide for the building up of a reserve fund. The revolving fund is needed to take care of conditions until the reserve is built up.

This method of relief is sound. It involves no subsidy. It would not put the Government into the business of merchandising. It is voluntary, and not compulsory. It would not stimulate production. It would not involve any ultimate loss to the Government, but it will enable the cotton grower to receive more nearly an average world price for his cotton over a series of years.

Now, I will yield to the gentleman from Tennessee [Mr. ESLICK].

Mr. ESLICK. Who is the insurer under your plan?

Mr. WHITTINGTON. The Government, by giving authority to the Federal Farm Board, as I have pointed out, to issue contracts under suitable regulations.

Mr. ESLICK. How do you determine the amount of the insurance premium?

Mr. WHITTINGTON. By using the statistics I have presented, based on an examination of the New Orleans spot-cotton market for a period of 20 years.

Mr. ESLICK. How do you reconcile the statement that this plan will make money or yield a profit to both the insurer and the insured?

Mr. WHITTINGTON. Because it is sound as an insurance proposition, and is based on accurate investigations, which disclose a safe insurance risk. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. FUNK. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. SWING].

Mr. TAYLOR of Colorado. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Colorado makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and two Members present, a quorum.

Mr. SWING. Mr. Chairman and members of the committee, all of you have doubtless received communications of one kind and another since this session of Congress opened relative to the Boulder Dam project. Since the House Committee on Irrigation and Reclamation reported out my bill (H. R. 9826) by a vote of 12 to 3, the number of these communications has very substantially increased. Everyone has a right to petition his Government. Constituents have a right to write their Congressman their views on any subject, but Members want to know the origin and the inspiration of propaganda in order to know how much weight to give it. Also, you want to know to what extent the statements contained in these letters and telegrams are correct.

When it became known that the Committee on Rules was to grant a hearing upon the question of a special rule for this bill, a veritable barrage of telegrams was turned loose upon Congress, and particularly upon the members of the Committee on Rules, in an effort to kill the bill, because if it is not given a rule the bill is dead. I have myself seen and read over 100 of these telegrams from various parts of the country. A strange thing about them is that there are certain set phrases and stock expressions running through all of them. Not only that, but I have here a telegram of over 300 words that was sent from California, while from a half dozen other places, hundreds and even thousands of miles apart, similar telegrams have been received identical in phraseology, even down to punctuation. Is this merely a coincidence, or is it to be explained upon the basis of mental telepathy? Who wrote those telegrams, and who paid for them? That is a pertinent inquiry. Let me quote from a colloquy that took place before the Committee on Rules.

Mr. DAVENPORT was speaking. He said:

> It all seems to suddenly center around the question of who is to control the power. This particular item must be highly important, because already from many different parts of the country long technical telegrams are coming from plain folks, away back in the hills in the State of Wyoming and in the State of Utah, and from all parts of that great country, protesting against the American people being caught with this power station on their hands—from dear folks, noble folks, as they are, who would hardly know a penstock from a turbine if they saw them rolling down Pennsylvania Avenue.

The CHAIRMAN. You have no idea that the people who signed those telegrams composed them, have you?

Another coincidence—these telegrams come in largest number from those cities in which the headquarters of some power company is located.

I hold in my hand a document which I believe furnishes the key to this flood of telegrams. There is not a single identification mark upon it to show where it came from or who wrote it. It is headed "Memorandum on Swing-Johnson bill." I read through five pages of incorrect statements of fact and erroneous conclusions and finally came to this paragraph, which furnishes some idea as to who wrote it:

> The only treatment of the power development at Boulder Dam in which the electrical industry can acquiesce is the lease of water rights.

Then notice the next sentence—

> The protection of the interests of 2,000,000 stockholders, the electrical industry can not agree to the entry of the Federal Government into the business of the construction and operation of electric-generating equipment.

Gentlemen, do you get the force of those statements? The electrical industry has issued its edict. It does not acquiesce and it does not agree that the Federal Government can undertake this project. What new branch of Government is this exercising the veto power? Since when must the consent and acquiescence of the electrical industry be obtained by the committees and membership of this House in order to have legislation which one of the departments of the Government says is necessary and vital in order to enable it to save the lives and property of its citizens?

By a comparison of this memorandum with letters and telegrams that Members have shown me, I find that whole sentences and, yes, whole paragraphs, have been lifted bodily out of this specially prepared data for the "undercover men" of the power corporations. They were not supposed to send this memorandum to Members of Congress, but only to use it as a basis for telegrams which they were to write and which they were to get their social, fraternal, and personal friends and business associates to sign for them. Some telegrams came from newspaper editors, whose papers carry large advertisements of power companies, and others from bankers who carry the deposits of private power companies in their vaults.

So much for the source of this deluge of power propaganda.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. SWING. I will.

Mr. GARNER of Texas. Do I understand there is no authority for that data?

Mr. SWING. There is no indication as to who prepared it or where it came from or who is the authority for the incorrect statements which it contains. I charge that the power corporations of this country have pooled together to carry out a common program of "rule or ruin" and "kill or control" with reference to this project and to thwart the Government in its attempt to carry out the recommendations which the Secretary of the Interior has sent to Congress in behalf of this vitally needed project, and which the Secretary says is urgently necessary for the protection of the lives and property of the people of the Imperial Valley and other lower Colorado River Basin communities. It is generally known that the private power corporations maintain a central or common agency to look out for their special interests. I charge that that agency is now directing the fight against this bill.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. SWING. I will.

Mr. JACOBSTEIN. Are these the same power companies that are thwarting the project at Muscle Shoals?

Mr. SWING. I understand they are engaged in the dual purpose of defeating both. The thing that is vicious about this propaganda is that this electric industry never had the nerve to come before the proper committee of this House while the hearings were going on and submit these statements which are now being sent privately to Members of Congress without any authority to back them up. If their charges had any basis in fact, why did they not give the committee a chance to pass on them, weigh them, and answer them, instead of pursuing this "undercover" method of presenting their views to Con-

gress? The method that has been adopted is alone sufficient to excite suspicion of the good faith of the organization that is using it. But I will go further and prove that their statements are untrue.

First, it is declared in this memorandum that this legislation is simply the scheme of a public-ownership crowd. I happen to know the complete history of this legislation. In 1919, before I had the honor to be a Member of Congress, I came here representing the farmers of the Imperial Valley to present their problems to Congress.

I appeared before the Irrigation Committee, together with a little handful of Imperial Valley farmers, who came here to ask that steps be taken to remove the menace of floods threatening the destruction to that community and a half dozen other communities on the lower Colorado River. Following that the Kincaid Act was passed in 1920, authorizing the United States Reclamation Service engineers to make a study of this matter and report to Congress their findings, with recommendations as to what should be done, and they did. I was then a Member of Congress and introduced a bill in the Sixty-seventh Congress for legislation following the engineering recommendation. That bill did not contain any provision for a power plant. A favorable report was made upon that bill by the Department of the Interior, and hearings were had upon the bill, but no action was had that session. Investigations were continued under the mandate of Congress. The appropriation bills of 1921 and 1922 for the Interior Department contained $100,000 each for studying the Colorado River problem. The farmers of the Imperial Valley, out of their taxes, contributed $100,000 toward the Government investigation. In 1923, $25,000 more was appropriated by Congress to complete the report. In 1924 the Secretary of the Interior sent this report to Congress with the most complete engineering data that has ever been presented to Congress in connection with any project ever brought before it. This report confirmed the previous in all important particulars. I again introduced the Boulder Dam bill in the Sixty-eighth Congress. The Secretary of the Interior reported favorably upon it, but that bill did not contain any provision for a power plant. No action was taken upon that bill. I introduced at the beginning of the Sixty-ninth Congress a bill following substantially the same lines as the preceding bills which have been introduced before, and in this bill, as in the previous ones, there was no power-plant provision. It went down to the Secretary of the Interior.

The Secretary of the Interior with the full and complete engineering data before him, with a careful study made by an advisory board of engineers to guide him, sent a report to the Committee on Irrigation, and in that report he himself specifically recommended that there be put into the bill discretion for him to build a power plant in the event he found it necessary to protect the interests of the people and to safeguard the return to the United States Treasury of the money the Government would have to expend on the project. I will read you his own language from the report:

> The building of a unified power plant by the Federal Government in the place of allocating power privileges, as proposed in the bill, is regarded as more efficient and cheaper. It will obviate controversies between applicants and long delays in their adjustment. In the end, results will, I believe, be superior to those possible under an allocation of privileges. The area for the location of separate power sites is restricted. Allotments would not be equal in value. Some allottees would, therefore, have an advantage over others. It would result in the creation of operation and administration controversies to be avoided and which a unified development will avert.

So, at the express request of the Secretary of the Interior, the provision giving him the authority to build a power plant, to generate power and sell it at the switchboard was written into the bill along with that provision. The bill gives him the further authority, in his discretion, to lease the power plant and permit the licensees to operate it or to contract for the delivery of water for the generation of electrical energy and leave the licensees to build their own plant.

And what is the reasons that lead the Secretary to make that request? There are good ones, you may be sure. Look at this picture of Boulder Canyon. Notice this narrow canyon where the dam is to be built. The water there is 2,000 feet below the surrounding country, and the canyon at the bottom is only 300 feet across. You see there is no place there for two independent contractors to work. In the second place, you will find that there is only one place near the site of the dam where a power plant can be built. There exists a little cove below the dam site just big enough for one power plant. The physical surroundings therefore determine the fact that there can be only one power plant, and that that plant should be built by the same agency that builds the dam.

Since there can be but one plant, one of two things is going to happen. The Secretary of the Interior is going to be confronted with one of two propositions: Either he will have to let all the power privileges to one company, and thus perpetuate for all time a monopoly in that section of the country, or he will have to consent that the conflicting applicants for the power privileges pool their interests; and if they do pool where will the Government get off? There will then be only one bid, and that as low as possible.

The Government should have the benefit of competitive bidding in order to get what the power is actually worth. The Secretary in his report says, "This money should be paid back in 25 years," but that will not happen if the bidders are invited, nay, compelled to combine.

Now, I am here partly as the Representative of my district, but also I try to act as the representative of the United States, and I want to see my Government, between these conflicting interests, get the best bargain it can and secure the best returns to the Government of the United States for what it expends on this great project.

The Secretary made a speech at Los Angeles April 26, 1926, and in that speech he explained his position on this matter. He said:

> I am opposed to Government ownership or operation of any public activity that is within the compass of private citizens. For five years I have been directing Government services under a mandate to "centralize authority and decentralize responsibility." But conflicting, diversified, and far-flung interests are involved in the Colorado River development that compel a closely knit organization to correlate them.
>
> No individual or corporate entity licensed for totally different and diversified purposes could be found to guard one interest and equally protect the rights of others.
>
> But corporations are not geared to operate unrelated business or to bring about interstate and international comity.
>
> * * * it is not clear that licensees could be compelled by law or regulation to guard an international agreement for water storage, stream equation, or division, give equal consideration to the dominant uses of agriculture, domestic water, and flood control—in short, of this natural asset—when the ever-present necessity for financial returns on investments would press.

Now, that is the position of the Secretary of the Interior.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield there?

Mr. SWING. Yes.

Mr. ROBSION of Kentucky. Under your bill it is in the discretion of the Secretary to grant licenses to individuals?

Mr. SWING. Absolutely. The Secretary has the choice of three alternatives. The issue is not whether the Government shall build a power plant, but whether the Government shall have the right to decide whether it will have a power plant or not.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GRIFFIN. Mr. Chairman, I yield to the gentleman 20 minutes.

The CHAIRMAN. The gentleman from California is recognized further for 20 minutes.

Mr. MICHENER. There is some issue between the States, too, is there not? It is not a question simply between the power companies?

Mr. SWING. I will come to that.

Mr. TAYLOR of Colorado. If the gentleman will permit, I wish to say that the Colorado River at the present time under the laws of the several States belongs to the people of the several States. The question is whether their right to the continued use of it shall be retained by them or turned over to the power companies.

Mr. SWING. That is one of the questions involved.

The Secretary of the Interior is not alone in his conclusion that in this particular case the Federal Government ought to build the power plant. Mr. Merrill, secretary of the Federal Power Commission, after careful study of the peculiar economic and engineering problems surrounding the Boulder Dam project is of the same opinion.

Three years ago Mr. Merrill wrote, according to his admission before the Irrigation Committee, the report of the Federal Power Commission attacking this project in general terms. At that time he was not so well informed on the subject. That 3-year-old report has been seized upon in the minority views as a great contribution to their side of the case. But Mr. Merrill, after receiving more complete information and making a further study of the subject, has changed his views regarding the bill, and he now absolutely supports the position of the Secretary of the Interior on the point that the Government should build the power plant. He says in a letter to

Senator McNARY, chairman of the Senate Committee on Irrigation and Reclamation, dated December 30, 1925:

The bill proposed (before it was amended at the Secretary's request) that the power plant or plants, substations, transmission lines, and all other works incident to the generation, transmission, and distribution of the power shall be financed, constructed, owned, and operated by lessees. * * *

Section 2 of the bill * * * contemplates the possibility, at least, of several independent applications and of several independent power developments.

Whether as a practical matter independent developments of power can be made, or whether, if practicable, they would assure full economic utilization of the power resources available at the dam, is a matter of grave doubt. It is assumed, if the dam is constructed by the United States as proposed in the bill, that outlet tunnels will be provided as a part of the "incidental works." There appears no doubt that the construction from that point on will cost materially less if a single power house is provided than if two or more are built. It is doubtful if there would be room in the river canyon for a series of power houses without entailing excessive and unnecessary costs for outlet tunnels to conduct the water to such power houses. * * * Individual operation of independent power houses would increase operating costs and make full utilization difficult, if not impracticable.

* * * * * * *

If it is deemed desirable that the construction of the dam be financed by the United States * * * I believe it would also be desirable for the United States to finance and construct the power plant and the high-tension transformer and switching station.

True, he then states he believes the Government should lease the plant to other agencies for operation, but authority to do that is in the bill. The Secretary is given power to do that.

Referring again to the letter signed by three members of the Federal Power Commission, may I not point out that Secretary Work, the only member now living, has changed his views as the result of three years of further study of the problem? Mr. Merrill, the author of the letter, on further investigation, has also changed his opinion. I think I am safe in saying that if the others had lived and if they had had an opportunity to study the matter further they, too, would have also changed their views in the light of fuller information on the peculiar physical and economic facts surrounding this particular project.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. SWING. Yes.

Mr. GARNER of Texas. I understand that the gentleman's bill merely permits the Secretary of the Interior to determine whether or not he wants to adopt the power plant. It is entirely discretionary with the Secretary of the Interior, is it not, and there is no compulsion about it at all?

Mr. SWING. None at all. The bill provides in section 1 that the Secretary is authorized to construct a power plant for the generation of electrical energy, and section 5 empowers him to sell and deliver the power so generated at the switchboard. Section 6 makes the entire matter of building a power plant or generating electricity a matter of discretion with the Secretary.

Section 6 expressly declares—

That the Secretary of the Interior may, in his discretion, enter into contracts of lease of a unit or units of said plant, with right to generate electrical energy, or, alternatively, to enter into contracts of lease for the use of water for the generation of electrical energy.

Now, under the terms of this bill it is simply a question whether we shall give the United States Government the right to make a decision when it goes to lay this project out on the ground whether under all the circumstances it is for the best interests of the public and for the best interests of the Government to build a power plant in connection with the dam. And the power companies say they will not even let the Government have the right to decide.

Another misstatement in this propaganda which is sent out by the "electrical industry" is that it is debatable whether the dam can be constructed. In the three Congresses during which the Committee on Irrigation and Reclamation has held exhaustive hearings, where engineers of national note, both public and private, appeared from various parts of the country, there never was a man who said it was not possible and practicable to build the dam at Boulder Canyon.

The Edison Power Co. announced that was the very place where they would first build it if they got permission. The United States' best geologists have stated it is one of the best sites in America for a high dam.

Now, as to the cost of the dam. There are all sorts of wild talk that the dam and project can not be built within the estimate. Anyone can say that. I just want to say this: There never has been a project of any sort presented to Congress in which there has been a more thorough and exhaustive study of the problem, including the cost problem. After the Reclamation Service had twice gone over the entire matter, they called together an advisory board of engineers at Denver, which went into all of these matters, including the unit cost. When their report came on to Washington the Secretary of the Interior called together a special board of six leading engineers in the Government service, including representatives from the War Department, Federal Power Commission, Geological Survey, and Bureau of Reclamation, and they put their O. K. upon the project, including the cost. I am told by the Reclamation Service that on projects completed within the last five years they have come unusually close in the actual final costs to the cost estimate, as evidenced by the dams built by them at Guernsey, American Falls, Black Canyon, McKay, and Tieton.

It is not true, as stated in this propaganda, that the flood menace can be solved by an expenditure of $14,000,000. The fact is that the actual masonry for a low dam at Topoc, near Needles, would cost about $15,000,000, according to estimates, but that figure fails to tell one-half of the truth, which is that it would be necessary to pay the Santa Fe Railroad Co. $8,500,000 for the destruction of its property, including the removal of a double-track railway, the removal of its depot, shops, and yards. In addition to that there would have to be paid $2,500,000 for the destruction of the city of Needles, which would be flooded out, making a total cost of $26,000,000. Besides such a plan would destroy 34,000 acres of fertile land owned by the Government, which would be included in the reservoir site.

The Secretary's special advisory board of engineers estimated the cost of the Topoc Dam at $27,000,000, but Secretary Work himself sets the figure at $28,000,000. In his 1924 report on my bill he said:

Flood control of the Colorado River appears to be practical considered for that purpose alone, and would invite the minimum expenditure of $28,000,000. Flood control considered alone promises no direct return of expenditure to the Government.

But what do the power companies care for $26,000,000, $27,000,000, or $28,000,000 of the taxpayers' money if that is the price to be paid in order to maintain their present monopoly?

If the Government finds itself obliged to build a dam for flood control and must expend a minimum of from $26,000,000 to $28,000,000 for that purpose alone, there are sound reasons why it ought not to stop at a low flood-control dam. It ought to follow good business judgment and spend enough more to raise the dam to a height which would make power development possible, and thus create a source of revenue from which the Government could be sure of recovering its expenditures. A low dam operated for flood control must be emptied after the flood is passed, in order to prepare for the next one. There is therefore no head or pressure or power possibility of any commercial value in a pure flood-control dam. A high dam will pay for itself, while a low dam will be a dead loss to the Government.

There is always an economic height to which it is real economy to build a dam. For a low flood-control dam the initial outlay would be as great as for a high dam. In each instance it would be necessary to build a railroad to the site, build a camp, establish an organization, purchase and move in the necessary operating and building equipment, construct by-passes for diverting the river while the dam is being built, and so forth. The engineers testified that under all the circumstances existing at the Boulder Canyon site a dam high enough to create a reservoir of 25,000,00 acre-feet was the economic height.

Another reason why a low dam will not solve the problem is that, besides flood control, the reservoir must furnish storage for the lower basin if the Colorado River compact is ratified. It will take 10,000,000 acre-feet storage to control the floods, because 11,000,000 acre-feet have passed down the river within 60 days. Eight million acre-feet would be sufficient if it is provided in a combined flood control and storage reservoir, because the irrigation uses would every year draw down the water in the space allotted to it and thus make increased capacity for flood control. Twelve million acre-feet storage should be provided for the lower basin, as the compact between the Colorado River Basin States provides that the upper-basin States may hold back whatever water they can use, provided they let down in each period of 10 years an aggregate of 75,000,000 acre-feet of water. That means that in any one year where they see fit they could hold back all the water, if they can find a place to use it, provided they let down in the balance of the 10-year period an aggregate of 75,000,000 acre-feet. What is to become of the lower basin unless they have a dam of sufficient capacity not merely to control the flood but to store enough water to carry it from one year over to another? Yes; the reservoir must be able to carry water over

three years. I have the records of the Reclamation Service showing the total run-off of the Colorado River for 1902, 1903, and 1904. It was for those years only 9,110,000, 11,300,000, and 9,890,000 acre-feet, respectively; and if the upper-basin States hold back the amount they are permitted to hold back, there would only be from one-fourth to one-half as much water let down as would be needed for the use of the lower-basin States.

Mr. COLTON. Will the gentleman yield?

Mr. SWING. I prefer not to yield now.

Mr. COLTON. In the interest of accuracy, there are 1,000,000 acre-feet to go down all the time?

Mr. SWING. I do not so interpret the compact, and I never heard anyone else put that interpretation upon it.

Mr. WINTER. Did not the gentleman mean to say 7,500,000 acre-feet?

Mr. SWING. No, sir; I mean what I said—75,000,000 acre-feet in each period of 10 years.

Mr. WINTER. That is correct.

Mr. SWING. The upper States can hold it all back in any one year if they see fit and can find a place to put it to beneficial use.

Again, there must be some provision made for the silt which will run into that reservoir at the rate of 100,000 acre-feet a year, so that a low dam would soon fill up with silt and you would not have any storage either for flood control or irrigation. Therefore, in the plans the engineers have wisely allotted 5,000,000 acre-feet capacity in the bottom of the reservoir as a catch basin for the silt. That makes the total capacity required 25,000,000 acre-feet—8,000,000 for flood control, 12,000,000 storage for irrigation and domestic uses, and 5,000,000 for silt deposit.

But worst of all a low flood-control dam will play directly into the hands of Mexico and guarantee her a sure supply of water sufficient to reclaim her 1,000,000 acres in the Colorado River delta. And right here I want to say that the bill makes no provision for any increased new lands being brought into cultivation in this country at this time. It defers all that until such time as Congress may see fit to authorize it out of deference to the present agricultural conditions in this country.

By the way, let me call your attention to a cartoon which appeared in one of the Washington papers recently. It shows farm relief crowded off the road by Boulder Dam, represented in the cartoon by a white elephant. In the words of a famous advertisement, "What is wrong with this picture?" In the first place, this cartoon pretends to express sympathy for the farmer relief measure, whereas the paper has never had any sympathy for the farm-relief movement. In the second place, I am glad to say that farm relief has not been crowded off the road by the Boulder Dam legislation, but it will be brought before Congress at a very early date.

And in the third place the Boulder Dam project is not a white elephant because the bill itself provides that it must spring like Minerva full grown from the brain of Jove or it will never be constructed. I mean by this that it must be prefinanced by contracts in the hands of the Secretary of the Interior under which the communities that will be benefited will obligate themselves to take water and power at rates to be fixed by the Secretary of the Interior, which in the aggregate guarantee the return not merely of $125,000,000, but the total amount, whatever it may be, that the United States Government may expend on this project. Cities and farming communities now in existence which in the aggregate represent billions of dollars of assets stand ready to sign these contracts.

Mr. BANKHEAD. I hope, if the gentleman will pardon me, that he will not fail to discuss the matter of the additional acreage in Mexico.

Mr. SWING. I will explain that right now. If you had a pure flood-control dam and operated it the way you have to operate it for flood control, you would catch the water at flood season, hold it back and then turn it loose during the low season. You can not hold it. You must empty your dam in order to get ready for the next flood and when you turn it loose, the water has no place to go except to Mexico and the amount of flood water which must be so caught and turned loose each year will amount to between eight and nine million acre-feet, and all they need to reclaim the million acres of land in Mexico is 5,000,000 acre-feet of water. So under this plan you would be furnishing them with about twice as much water as they need and you could not prevent that situation from arising if you only have a low flood control dam.

I read from Mr. Weymouth, former chief engineer of the Reclamation Service, on this very subject:

> If a high dam is constructed at Black or Boulder Canyon with large storage capacity, it would be entirely practical to control the floods of the river and during the months of July, August, and September hold back the entire flow of the river except that needed for irrigation in the United States. In that way, no water would go down at all during that period to Mexican lands. In other words a high dam with large reservoir capacity could be regulated even to the extent of withholding all water from new areas in Mexico for a three months' period in each irrigation season when water is most needed and stop development there beyond the present area being irrigated.
>
> If a low dam is constructed for flood control only, as has been suggested by some, it would have the effect of improving the water supply for lands located in Mexico and would so improve the water supply for those lands that the development there would proceed more rapidly than now even.

Secretary Hoover, testifying before the Senate committee, stressed the importance of a high dam on the Mexican situation. He said:

> If we wanted to prevent the irrigation of lands in Mexico by way of holding up the flow in the low-water season—that is, if we wanted to deliberately do that—you could do it more effectively at Boulder Dam than anywhere else, because you have a larger body of water to deal with. In a large reservoir like this we could hold back water during the summer and let it down in the winter, when they could not use it; that is, if we wanted to be malevolent.

It is by the construction of a large dam and the all-American canal that the Government of the United States is given complete manual control over the river, so it could if necessary or desirable limit the water for Mexico. The all-American canal could be used to divert for periods of 15 days at a time the surplus water into the inland Salton Sea, and thus prevent Mexico from increasing her present cultivated area, and gaining thereby some adverse water rights against lands in our own country. With the dam and canal we need not fear any large extension of cultivation in Mexico.

Mr. STOBBS. Will the gentleman yield?

Mr. SWING. Yes.

Mr. STOBBS. Would the gentleman kindly explain to those of us who are not familiar with the whole situation the necessity for any dam; in other words, the elementary part of this proposition, which is not clear to me?

Mr. SWING. Well, if we do not have a dam, we will have a catastrophe. The Congress can take its choice. I will come to that subject in a moment.

The next proposition advanced in the power companies propaganda is that the power needs of the Southwest are already supplied and therefore there is no chance for the Government to get its money back.

As evidence to the contrary, I will read to you from the testimony of Secretary Hoover, who appeared before the Irrigation Committee, and speaking of the power market in the Southwest, said:

> At this moment there is probably an immediate need of, say, 200,000 horsepower; 10 years hence there is a possibility of a need of a million horsepower.

Also, let me quote from another authority on this subject. I want to quote Senator PHIPPS who, with his family, owns a controlling interest in the Southern Sierra Power Co., which is engaged in supplying power to some of this territory in the Southwest. What he has to say answers very effectively this very power company propaganda:

> One thing is admitted on all sides—by those who favor Government ownership and by those who advocate private operation—there is a real need for this additional power in the West; there will be an ample market for it over and above the present consumption of power. Consequently, private and municipal corporations would welcome this additional supply, whether privately or publicly operated, and are anxious for the early construction of the dam on the lower Colorado River.

I think a man who is in the power business in the locality in question and who is not a supporter of the bill, should be accepted as an authority on the matter of whether there is a sufficient market for all of this power. He says there is.

This bill introduces no innovation. This Government, whenever it has constructed a project, whether it be for flood control, improvement of navigation, or reclamation, and has found that the economic development called for the utilization of the by-product has not hesitated to build a plant and use the water that passes over the dam to generate power. The Government has successfully built and operated a dozen power plants in connection with its reclamation projects.

Mr. KVALE. Will the gentleman yield?

Mr. SWING. Yes.

Mr. KVALE. In connection with that statement, can the gentleman inform me why the administration apparently is in

favor of a Government-controlled operation of Boulder dam but is opposed to the same in the case of Muscle Shoals?

Mr. SWING. I am not able to speak for the administration on Muscle Shoals. I have read you the report of the Department of the Interior on my bill, in which reasons are given why they favor it.

Mr. BUSBY. Would the gentleman kindly deal with the controversy among the several States affected by this controversy before concluding?

Mr. SWING. I will come to that in a moment.

What is needed here is to give the Government the necessary authority to do this job like a business man would do it. I am not here to make any Government-ownership speech, but what I do say is that when the Government finds it has to do a job, whether it is flood control or the improvement of navigation or reclamation, our Government ought to do the job in a businesslike way. [Applause.] The statement of "Less Government in business" is only half of it. The rest of it is "More business in Government"; more business sense, more business judgment in the matter of running the Government and carrying out its undertakings; and we should not be scared of our own shadow when we go in to do a job of this kind.

In conclusion, I want to compliment the Rules Committee, both the chairman and the members of the committee. They gave most earnest attention and consideration to the hearings on this bill. They undertook to inform themselves regarding the facts involved in this great project, which is comparable with the authorization of the construction of the Panama Canal. I think they were impressed with the need and the importance of early action.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. FUNK. Mr. Chairman, I yield to the gentleman 10 minutes more.

Mr. SWING. Mr. Chairman, I want to say further that I do not think a single member of the committee has been influenced by this power company propaganda, but I want at this time to sound a most respectful warning to the members of the Rules Committee.

If they continue to delay action on the rule asked for for this bill, they will have served the purpose of the private power corporations just as thoroughly and just as completely as if at their behest they had killed the bill, because the inevitable effect of further delay, even if the rule is finally reported out, will be to prevent the passage of the bill this session of Congress. This bill has to go to another body, a talkative body, and nobody knows how long it will take to be acted upon after it gets there. A little more delay is all the power companies will need to defeat this legislation. The Rules Committee must act promptly or knowingly kill the bill.

Now, as to the controversy between the States. Five States in the Colorado River Basin have asked for this legislation before the Rules Committee; two opposed it. The Representatives of the two States have opposed the bill at every stage, from the time it was introduced five or six years ago until now. Frankly, there is no chance of reaching an agreement with Arizona because such an agreement depends upon it being accorded the right of taxing Government property, of collecting revenue off of United States projects; and I do not believe Congress is prepared to establish that precedent.

The State of Utah withdrew under what I think was a misapprehension as to whether they were or could be made safe under the provisions of the Colorado River compact. We have been told, through the newspapers, and otherwise, that the State would reratify provided her rights are safeguarded.

I want to compliment the gentleman from Utah [Mr. COLTON] for his aid in drafting an amendment to the bill for the protection of Utah. After other Members had worked on it for a period of a year, he made a suggestion which I think is a good one and which I have agreed to accept. He has prepared an amendment which he says he thinks will satisfy a majority of the people in Utah, and I am ready to accept it. The State of Utah will not, however, re-ratify until this bill is passed, and they can determine whether their rights are protected thereunder. Therefore the only thing to do is to pass this bill, and I am sure Utah can be accommodated afterwards.

Mr. MICHENER. California will not ratify until after the bill is passed. Their ratification was conditional. There is a provision in it providing they shall not be bound until they get what they want, the same as Utah.

Mr. SWING. The passage of this bill fulfills California's condition and makes her ratification effective. California, under the compact, must surrender all of its present vested rights in and to the natural flow of the stream and give the upper States the right to hold back all the water under certain circumstances. It became vital, therefore, to the very life of our present communities that when we surrender our right to the natural flow of the river to get stored water to take its place, California's only condition was that she be given storage water from Boulder dam to take the place of the natural flow of the river which she surrenders under the compact. Water is water, whether it comes from the natural stream or from a reservoir, but we can not live without water. California must reratify unconditionally according to this bill before work on the project can start. She will reratify as sure as the sun comes up tomorrow as soon as the bill is passed. She certainly has a right to ask that she be assured that on surrendering her present supply of water to the upper States she be afforded another source of supply such as from the Boulder dam.

Mr. MICHENER. The point I am making is that they have not ratified unconditionally, any more than has the State of Utah. They are not any more bound than is the State of Utah, and when the bill passes they will ratify if it contains everything California wants.

Mr. SWING. It does not contain everything that California wants, but it saves the lives of a half a dozen communities and the property of 100,000 people. This is not a California plan; it is a Government plan. It has been sent down here by the Secretary of the Interior, who says that it is beneficial and needed legislation.

Mr. BARBOUR. Will the gentleman yield?

Mr. SWING. I will.

Mr. BARBOUR. If the bill is passed the State of California will ratify the compact?

Mr. SWING. Absolutely.

Now, somebody says why any dam at all. I could speak feelingly on that subject because I have lived 18 years in the Imperial Valley which is from 100 to 250 feet below sea level and every year threatened with destruction by the floods of the Colorado River. But I will not permit myself to speak on this subject so near to my heart. I would, of course, be biased. I will instead call upon Prof. George Smith, of the University of Arizona, a scientific man who can not be considered to be unduly friendly to this proposal. I will ask you to consider what he says regarding the necessity for this legislation. In his bulletin entitled "The Colorado River and Arizona's interest in its development," he says:

> The flood protection is the main incentive which is spurring many agencies to action. The people of the Imperial Valley, for 16 years, have been fighting a defensive battle against the Colorado, sometimes gaining, sometimes losing, but in the main losing. They can not hold out for many more years. At least once every year, in June, and sometimes at other seasons, the river threatens to change its course from the Gulf of California to the Imperial Valley, as it did in 1905. The only protection at present is the system of levees, called respectively, the first, second, and third lines of defense. Frequently the floods break through the first and second lines and reach the third line. Each year the river, through silt deposition, builds up that part of the alluvial fan in front of the levees, in some years as much as 4 feet, and each year the levees must be raised an equal amount. Over one-quarter of a million dollars is expended each year by the farmers of the Imperial Valley in this work. The limit will be reached soon. Levees 40 or 50 feet high can not be maintained.

As my closing appeal to you for action I shall quote my distinguished colleague, the gentleman from Arizona [Mr. HAYDEN], who is unusually well informed upon this subject:

> The engineers agree that sooner or later that calamity is bound to occur, because the Colorado is continually raising its delta by the deposit of over 100,000 acre-feet of silt each year. The river can not continue to run on top of a ridge. It must break over some time.
>
> The only way that such a disaster can be prevented is to build a great dam in the canyon of the Colorado which will be high enough to create a reservoir of a size sufficient to store the entire flow of the main river for over a year. If nothing is done, California will be the first to suffer, but Arizona can not escape sharing the tremendous loss of life and property which is sure to come if we do not exert every effort to control the floods of the Colorado River.

Mr. Chairman, history says Nero fiddled while Rome burned. Is the Government, is the Congress of the United States, to fiddle and to vacillate while a catastrophe is in the making, threatening to destroy the lives and property of half a dozen great communities? [Applause.]

Mr. GRIFFIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, I want to make a few remarks concerning the minority views of the Committee on Agriculture accompanying the McNary-Haugen bill. I am glad to say they are the views of a very small minority of that splendid committee. At this time

I want to call attention to a few very interesting and remarkable statements in this report. Condemning the McNary-Haugen bill, and with great dismay and agony, it says:

What function will a commission man have in the stockyards if swine are handled under contract with the packer?

What will become of the wheat or rice or corn miller or the cotton factor with whom the board makes no contract?

What becomes of the American cotton spinner in the export trade if the board, in order to dispose of a surplus of cotton, decides to sell to the Manchester spinner at the American price without adding the freight and insurance differential the American spinner now enjoys? Every line of trade touching or dependent upon agriculture will have to face a reconstruction if this bill passes.

The motive which actuates the minority in opposing the Haugen bill appears as clearly as the noonday sun. They are worried about the middlemen and the profiteers who have been robbing the farmer all these years. The very fact that the Haugen bill will, I hope, eliminate some of these parasites is the reason why many of us, in spite of the faults of that bill, favor it still. Let us cut out the useless middlemen. That is why we are striving to pass farm relief legislation. Let us help the farmer get pay for his toil and not worry about the profiteer.

Right here is one of the chief causes of opposition to worthwhile farm legislation. So many people can not get it into their craniums that the farmer is human and should get for his products all they are worth. They figure all the while for legislation which will enable others to plunder the farmer. We might just as well try to spit on the sun and blot it out of existence as to try to write a farm bill that will take care of all the profiteers of the Nation and at the same time give relief to the farmer. It just can not be done. You are either for the farmer, and the farmer only, or you are against him. The members of the Committee on Agriculture who wrote the minority report are for the wrong crowd and any bill sponsored by them is flyblown with the same antifarmer motives. Especially is this true of those sections of the bill which were written or approved by one or more of the gentlemen who signed the minority report.

Again and again the gentlemen of the minority report wail about the increase of price which the farmer would get under the Haugen bill. Listen to these two sentences from the report:

Its theory is also untenable because it seeks to give the producer a profit, no matter how great the production. Price decline is the only normal curb upon overproduction.

Again objecting to the producer getting a profit and urging that he should suffer low prices so as to force curtailment of production. If this is true, we need no legislation for the farmer. Why so much noise and feathers if the bill is to hold down prices so as to make the farmer lose? He is losing now without any farm bill. I get so disgusted at men arguing that we should not help the farmer for fear of overproduction or of foreign competition. Of course, we all realize that unduly inflated prices will encourage production, and that not only marketing but production also enter into the control of prices.

I have a remedy for the control of production which would work perfectly without an equalization fee, with the farmer getting a good price and with the consumer sharing the benefits of the plan, but to my regret I know that the putting of such a plan into operation in the near future is an absolute impossibility. There is too much of the same kind of opposition that is now manifested against the Haugen bill. The profiteers and their cohorts are too strong, and it seems they are to remain too strong for a long time yet if not forever.

The solution of the overproduction proposition would be as simple as pig tracks if we would pass legislation to help the farmer get a reasonable price not only for one product but for every product that can be grown on any farm, produced in any garden, or gathered in any orchard or grove in this Nation of ours. Do this and there will be no overproduction of any one product, but a balanced production of all. Help the farmer sell as nearly as possible directly to the consumer. No middleman is entitled to any profit unless he really does something of value in the marketing scheme, and then he is only entitled to pay for the service he renders. There are too many plans to help the farmer indirectly. Practically every so-called farm relief bill provides machinery to help others make money out of the farmer. Many Members of Congress seem to think that the way to help the farmer is to fill the hands of others full of the money that comes from the farmers' toil, and that the drippings which ooze through the fingers of the enemies of the farmer will be sufficient for the farmer and his folks. They argue that the way to help Lazarus is to heap up the good things on the rich man's table, so there will be more crumbs for the poor. Why not let the farmer have directly some of the good things which he earns instead of crumbs from the table of the profiteer?

The most interesting feature of the minority report is not its attack upon the McNary-Haugen bill, but the plan suggested in lieu thereof. This plan is to set up expensive governmental machinery to help the farmer in case of emergency by buying his products at "below cost of production by an efficient producer," and then profiteering off of the products so bought. Under this plan cotton in Georgia would probably sell for about 10 or 12 cents per pound, for it has been admitted that the board would probably find the average cost of production and determine that as the cost of production to an efficient producer. Then if cotton can be produced at 5 to 7 cents per pound in some sections and around 18 to 20 cents per pound in others, the board would probably accept about 12 cents as a rate at which buying would begin. But that does not mean that prices would be held at this figure; for while buying could not begin above the cost of production and no purchases could be made giving even the efficient farmer a profit, yet the plan and the bill designed to carry the plan into effect would authorize buying at any price below the cost of production, even down to 1 cent a pound.

The proponents of this plan say they object seriously to an equalization fee. It is clear that under this plan the farmer could not pay an equalization fee; neither could he pay anything else. They say this plan would cause a reduction of the acreage planted by the farmer. It probably would. It would also cause a reduction of his money, a reduction of clothing and food for his wife and children, and finally reduce him and his folks to abject poverty and miserable slavery. They further favor this plan because they say they can make a profit out of the farmer's products. They certainly could, for the farmer would not get any profit. They say they want to stabilize the farmer's products. That is admitted. They want his products stabilized very low when they buy from him and very high when they resell them. They would stabilize the farmer's products at below the cost of production, and stabilize him, his wife, and children in poverty for all time to come.

Let me quote the following from the minority report:

Price stabilization can not be managed in the absence of absolute control of production unless the policy be to make purchases on a scale down from points at or near the cost of production. If it be attempted by buying on a scale up or at a definite point above the cost of production, it must fail through increasing production by assuring profit without regard to quantity. On the other hand, it must maintain continuity of supply for the purpose of preventing in years of short production an enhancement of price so great as to stimulate overproduction in the next crop year.

Such a policy of stabilization demands, for the handling of the great staple crops, an organization sufficiently financed to lift off the market in surplus years sufficient of the commodity to maintain the price at or around the production cost. This organization, however, must also be charged with the responsibility and duty of bringing back on the market the supplies it has purchased to prevent subsequent undue price elevation. In other words, it must be an organization to store and carry for a profit, rather than an organization to buy for dumping at a loss.

They say the organization must buy at a loss to the farmer so as to dishearten him and keep him from increasing production, and then they must make a profit out of what is bought from the farmer. The organization also must hammer down the prices if there is a bad crop year and the farmer is about to get a high price. The organization favored by the writers of the minority report would only help those who belong to the organization and those who get handsome salaries under the bill.

It is contended by some—and, in fact, many papers have said—that the Curtis-Crisp bill would enable the farmer to sell his products at a reasonable price above the cost of production. The bill does not say so, and neither did its author before the Committee on Agriculture nor on the floor of the House say any such thing, but, on the contrary, stated that buying would take place when the product was selling below cost of production to an efficient producer. Now, the bill does mention a reasonable profit above the cost of production to an efficient producer, but only is this mentioned in connection with the determination as to when an emergency exists. The bill in naming the provisions under which emergency would be determined, among others, mentions the following:

Does the existence or threat of such surplus depress or threaten to depress the price of such commodity below the cost of production with a reasonable profit to the efficient producers thereof—

Thus it will be seen that this provision deals only with the question of when the emergency will be declared to exist. The

buying of the product does not take place until the farm product goes down, down to where there is no profit to the producer in the sale, and then and then only does buying take place. There is no authority in the bill for buying at a profit to the producer. In other words, the bill as drawn only lets the board declare an emergency when several issues are determined; one of which is that the particular farm product is depressed or likely to be depressed "below the cost of production with a reasonable profit to the efficient producer thereof," but by no means does the bill authorize buying except at a loss to the producer. The emergency may be declared while the farm product is selling at a very satisfactory price to the producer, provided the board thinks the price is going below the cost of production with a reasonable profit to an efficient producer, and yet operations in the way of purchases will never take place, even though the emergency is declared if the commodity does not eventually drop below the cost of production. The emergency can be declared practically at the will and pleasure of the board, but there is never any buying except at a loss to the farmer. The emergency under the bill in effect is the time when the organizations would begin to sharpen their appetites with anticipated profits out of the farmer's distress.

It has been urged on this floor and in the press that Governor Lowden favors some of the provisions of this bill. This is undoubtedly true. He does favor, for instance, the declaring of an emergency to exist when a farm product is selling below the cost of production with a reasonable profit to the producer. I have never met Governor Lowden and hold no brief for him, but I understand he is a friend of the farmer and I am sure he not only recognizes the emergency mentioned, but he favors legislation to help the farmer sell his products not below cost of production but at such price as will give the producer the cost of production and a reasonable profit. He has not and would not sanction the provision of the Curtis-Crisp bill which only authorizes the buying of the product at a loss to the farmer. Governor Lowden, on the contrary, favors the principle of farm relief as embodied in the McNary-Haugen bill, the Aswell bill, and the Lankford bill, each of which provides machinery to enable the farmer to sell his product at a profit above the cost of production. Oh, no; Governor Lowden never approved nor drew the provisions of any bill which would take the farmer's products from him at "below the cost of production." These provisions are the result of the crafty manipulations of the member of the Committee on Agriculture of the House who inspired the wording of the minority report on the McNary-Haugen bill, and who by speeches on this floor and before the said committee and by conferences elsewhere has repeatedly urged the passage of legislation to set up machinery to buy the farmer's product at a loss to him and at a profit to the buyer.

I submit, Mr. Chairman, it is neither fair nor right to take Governor Lowden's farm remedy, high-grade sugar, and coat and make palatable Doctor Fort's cheap arsenic antifarm relief pink pills.

The bill approved by this minority is shrewdly drawn. It is fearfully and wonderfully made. One of the authors of the bill said there was another author who did not want his name divulged. I am just wondering whether the alleged unknown author is afraid that his name would hurt the bill or that the bill would hurt him. At any rate, ostrichlike, he is endeavoring to be careful.

It has been suggested that at least the known authors of the bill sponsored by the minority of the Committee on Agriculture would accept amendments perfecting that bill. It sorely needs such amendments. The only way to perfect it would be to strike out all after the enacting clause and insert in lieu thereof a farm relief measure. [Laughter.] It should be purged of its wicked provisions, criminal purposes, and profiteering proclivities and amended so as to become a farm relief measure with a heart and conscience and soul. In order for it to be worthy of the support of the friends of the farmer, it must be born again. [Applause.]

Mr. GRIFFIN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. JACOBSTEIN].

Mr. JACOBSTEIN. Mr. Chairman and Members of the House, I want to begin my story of agriculture where I left off last year. I predicted then that at the rate at which agriculture was going we would have another bad year for agriculture. I want to show you where agriculture is to-day and where it is likely to be at the end of 1927, one year from-today. Take a look at this chart which I have here and you will see that agriculture is worse off to-day than it was a year ago. Agricultural products are selling 20 per cent below normal as compared with nonagricultural products on a pre-war basis. There are those who still believe that time will cure the ills of agriculture. There are those who think that the law of supply and demand will cure the ills of agriculture. Only yesterday I read in the New York Times a statement by the head of the Childs Restaurant Corporation, Mr. William Childs, to the effect that Gov. Frank O. Lowden's claims that agriculture is suffering badly are untrue. I challenge Mr. Childs's statement and refer him to facts that I present to you to-day.

Agriculture is worse off to-day by this amount shown on the chart. The price of all agricultural products was 13 per cent below par last year and is 20 per cent below par this year. Do you notice this price curve? It is dropping. I am not by temperament a gloomy prophet, but I state to you that if the reports of the Agricultural Department are at all correct, a year from to-day agriculture is going to be as badly off as it is to-day, or at least no better.

Three days ago the Department of Agriculture released for publication what is known as its annual Outlook, in which it forecasts for the year the situation in agriculture in every crop within the next 12 months.

I shall place in the RECORD a summary of the forecast of the Department of Agriculture for every one of these crops. I may say in passing that if a man wanted to speculate upon the basis of these forecasts, I think, he would make money, because these forecasts over a period of four years have been approximately 90 per cent correct. That is not a bad batting average so far as speculation is concerned. They have been right about nine times out of ten. The forecasts of the Department of Agriculture are that we are going to have another bad year in cotton in 1927, that we are going to have another bad year in corn in 1927, that we are going to continue to have a poor year in the feed crops, such as hay, oats, and barley. Reviewing these forecasts, and summing it all up, the year 1927, on the basis of the Outlook of the Department of Agriculture, gives promise of a very fine crop of dissatisfied farmers and I think an abundant crop of presidential candidates for 1928.

In terms of dollars and cents the farmer to-day at this moment is receiving just 80 cents on the dollar in exchanging his products for clothing, shoes, agricultural implements, and so forth. That means that he is off 20 per cent. In view of the fact that agriculture sells about $12,000,000,000 worth of goods every year, the farmers lose about $2,000,000,000 a year on the basis of present prices. Two billion dollars a year is taken from the farmer by the city folks by virtue of prices which the farmer has to pay for the things he buys in exchange for the farm produce he sells.

I think that is a very serious situation. When you remember that the agriculture of this country has had seven lean years, and another lean year coming, it is high time for this Congress to seriously think of doing something constructive. I hope before the week is over that I may have the time and privilege of reviewing for the House or giving to the House the substance of the various agricultural bills, including my own bill H. R. 16123, so that the membership may have before it the principles of each, contrasting the various bills and showing where they are weak and where they are strong.

You will agree with me that agriculture is in a bad way. In fact, the prediction for agriculture is that it is going to be on the decline for a decade. The fact is that there is too much agriculture in the United States. That may seem like a strong statement to make, but I believe the farmers of the country would be better off if they started a "back to the city" movement rather than a movement "back to the farms."

There is too much land under cultivation, too much food produced for the market, both domestic and foreign, at prevailing prices. If agriculture could abandon about 20 per cent of its acreage, especially the less fertile and least productive, the major part of the farm problem would be solved. But, as a matter of fact, we are witnessing an expansion of farming, especially in Texas and the Southwest; more efficient machine methods of production are being applied to agriculture; reclamation and irrigation projects are being put forward, all of which increase production and aggravate the farm problem.

Take the very splendid presentation made in behalf of Boulder Dam to-day by Mr. SWING, of California. That flood-control and power-development project will doubtless open up new lands for cultivation in the next decade. Take the extension of cotton lands of the Southwest—Texas, Arizona, Oklahoma. Enough cotton can be raised in this area to eliminate the whole Atlantic seaboard from the cotton market. We have too much agriculture. There is nothing in the bills discussed so far—the Haugen bill, the Crisp bill, or the Aswell bill—that in any manner meets that problem, the permanent problem confronting agriculture.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. JOHNSON of Texas. I recognize the gentleman to be a man of ability and an economist, and I was wondering, in view of the statement which he made a few minutes ago that agriculture was going to continue to decline, if in his judgment legislation could prevent that decline or not?

Mr. JACOBSTEIN. I am going to answer that question and answer it very definitely in the course of our debate on agriculture. I only have 15 minutes, and I can not cover all the bill to-day. It took Mr. CRISP an hour to explain his bill. It took Mr. ASWELL an hour to explain his bill, and you are going to expend eight hours in explaining the Haugen bill. I have not thrown my bill into the discussion here because I believe it is perhaps too far-reaching and too constructive to be considered seriously in a short session by the Agricultural Committee. [Applause.] I have suggested it, however. I know it is coming up in future Congresses. I will answer the gentleman's question. I think, regardless of the relative merits of the Crisp bill and the Haugen bill, no one of those bills seeks to correct the fundamental ills of agriculture. Their bills are purely of an emergency character. They are going to correct the ills after they occur, crop by crop. When you get a surplus too large to yield a profitable price to the producer then you are going to handle it in the most expeditious manner, keeping up the price, pegging up the price where the loss will be minimized. I doubt very much whether the three authors of the respective bills will claim a cure for the fundamental ills of agriculture.

Mr. CRISP. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. CRISP. I admit, as we all do, one of the troubles is overproduction, and I do not know that the bill I had the honor to introduce will correct it, but I will say to my friend that we sought to do that very thing, putting all the checks to discourage overproduction that I think the National Government can do, to wit, only to peg to the cost of production. It is no inducement to produce more because it is not profitable to produce without a profit, and a further check that when the emergency has been declared if they increase the acreage they will not help finance the next year's surplus. If my friend can suggest any method of putting on a check, I would welcome it.

Mr. JACOBSTEIN. I hope I will have an opportunity to comment on the gentleman's bill. There are certain features of that that are admirable. I so stated to the Committee on Agriculture. I have not time to go into the merits of the gentleman's bill at this time. I will say, however, I did go before the Committee on Agriculture and present to that committee what I thought was a comprehensive plan, embodied in H. R. 16123. The trouble with all these other bills is that they look at agriculture from a one-crop point of view and for a limited period when a surplus occurs. You want to peg the price on cotton, aid in restricting cotton production, and transferring cotton acreage to corn. The minute you do that you have an overproduction of corn, and the Lord knows the corn producers are not getting a fair return to-day. There is no effort in any of the bills to set up machinery which will coordinate agriculture as a whole.

Let me illustrate. I come from a great apple country in western New York.

We raised a wonderful quantity of fine apples last year, but while we were doing that they were planting new orchards in Virginia and in Washington. We have an oversupply of oranges and grapefruit, but still in Texas they are planting orange groves. We have an oversupply of peaches, and yet our farmers are thinking of setting out more peach orchards. [Laughter.] I am not referring to the Browning "Peaches."

I think it can be honestly said that there is nothing in any of these agricultural bills—Haugen, Crisp, or Aswell—that seeks to coordinate agriculture, that seeks to correct the ills at the root. So I have introduced a bill by which I would like to see established an American institute of agriculture, in which agriculture itself shall decide for itself what it shall do. And some time I hope I may have the privilege of presenting that plan in detail, in which the activities of the farmer are sought to be guided intelligently and effectively, so that we may have a curtailment of production, not only in one crop but in coordinated crops, so that agriculture may be balanced on a price basis with industry.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield there?

Mr. JACOBSTEIN. Yes.

Mr. OLIVER of Alabama. I am interested in the gentleman's statement, to the effect that all the bills are ineffective along the line he has suggested. I was wondering whether he had any concrete suggestion for the correction of that condition?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRIFFIN. Mr. Chairman, I yield to the gentleman 15 minutes more.

The CHAIRMAN. The gentleman from New York is recognized for 15 minutes more.

Mr. JACOBSTEIN. My plan contemplates creating what I call an American institute of agriculture. I am interested in permanent betterment for agriculture rather than in temporary relief. Therefore in the very preamble of my bill I say:

A bill to create an American institute of agriculture and to provide for a permanent national policy for the well-balanced development of American agriculture, including production, marketing, and the limiting of losses from surplus production.

You will observe at the outset that the purpose of my bill is broader than that of the Haugen bill or the Aswell bill or the Crisp bill. My plan seeks to provide for a permanent agricultural policy and not merely for temporary annual relief. My plan seeks to view agriculture as a whole, coordinating all farm activities and not merely affording relief to a specific crop. My plan, however, does embody machinery for helping the farmer when a surplus does occur. Frankly, I may say that personally I am primarily concerned with the prevention of a surplus, thereby affording permanent relief to agriculture.

My plan sets up an American institute of agriculture, which embraces, first, a farm congress and, second, an executive committee. The farm congress itself is composed of 150 representatives of agriculture and in addition the 15 members of the executive committee. The 150 representatives come from the experimental stations, the agricultural colleges, the United States Department of Agriculture, and the farmers' organizations. The executive committee, which really shapes the policies of the congress, subject to the approval of the congress, like the congress itself, represents all of the interests affected by the betterment of agriculture and able to help put agriculture on a sound basis. Of the 15 members of the executive committee, 1 represents the United States Department of Agriculture, 1 the Federal Reserve Board, 1 the Federal Farm Loan Board, 1 the United States Department of Commerce, 1 the United States Department of the Interior, 1 the Interstate Commerce Commission, 2 agricultural economists, and 7 persons of practical experience in production, representing, respectively, cotton, wheat, corn, dairying, poultry, livestock, and forestry. The 150 members of the farm congress itself shall be the following: Directors of State agricultural experiment stations (or designated by them), 48; from the State agricultural colleges (preferably an economist rather than a production specialist), 48; representing farmers' organizations, 48; from the United States Department of Agriculture, 6.

I would have the congress meet at some central point, like Kansas City, Mo., for two weeks each year, to discuss and take action on recommendations made by the executive committee. The executive committee would be in session, however, all the year round, making its investigations, studies, and surveys in preparation for the farm congress. The congress would approve or reject or modify, and with that sanction the executive committee would go forward day by day, doing those things which would help develop and build up a sound agricultural policy in the United States and for the betterment of the rural life of the United States.

I think that if this American institute of agriculture had been in effect 5 or 10 years ago we would not to-day be baffled by the surplus problem which confronts us. At least we would be dealing with it more intelligently, if we were dealing with it at all.

This organization which I set up would also have charge of the temporary problems which are dealt with in the Aswell bill, the Haugen bill, and the Crisp bill, these temporary surpluses as they arise. In order not to create any new machinery, I would have the same organization responsible for handling these annual surpluses when they occur.

The representatives in my proposed farm congress would come from every State in the Union and would represent every related interest seeking to develop and improve agriculture. This farm congress would make recommendations to the United States Congress concerning those things which it feels are wise and necessary for the betterment of American agriculture. In the administration of the plan, however, the farm congress would utilize every agricultural agency, including the 2,500 county agents in this country.

I would have this farm congress and this executive board always on the job, operating through 2,500 counties. Gentlemen, we have 2,500 county agencies in the country. That information ought to go back and tell the farmer what to produce. We have 48 experiment stations which we are not now using effectively enough. Through this American institute of agriculture I would carry back to the farmer by means of

legislation which they would enact for themselves policies which if carried out would direct into proper and profitable energies the agricultural activities of the United States.

I would not wait until Congress should pass remedial legislation. I would have the farmers do it for themselves through this farm congress. I would have this executive committee composed, as I said before, of those elements of the community that know banking, transportation, the technical production of agriculture, and the marketing of crops. When a surplus arose, they would take up the surplus and handle it most expeditiously, as provided in the Haugen bill and in the Crisp-Curtis bill and in the Aswell bill. But this emergency control of the surplus is only incidental to the machinery that I would set up.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield again?

Mr. JACOBSTEIN. Yes.

Mr. OLIVER of Alabama. Is it thought by the gentleman that the educational program he has outlined would in itself be an effectual remedy?

Mr. JACOBSTEIN. I think the type and scope of the educational machinery I have in mind would have its ramifications all over the United States, and in which the Government of the United States would be represented through its agents appointed from the Department of Agriculture; an educational program which will go back to the farmer through his bank and through the experiment stations and through every known agency, including the newspapers, telling the farmer what he must do. The use of financial credit and the use of the equalization fee would supplement the educational program.

Mr. OLIVER of Alabama. Is there anything in those bills which would indicate that that policy is in the minds of those who bring in these bills?

Mr. JACOBSTEIN. In answer to your question, I will say that it is my impression that the authors of the Haugen, the Crisp, and the Aswell bills have in mind principally giving relief to agriculture in any crop in any year in which a surplus happens to occur to depress prices. Their bills are therefore, properly speaking, emergency relief measures. On the other hand, I will say for the Committee on Agriculture that many of its membership realize the importance and the necessity for the more permanent constructive program which I outlined to the committee and which I finally embodied in my bill H. R. 16123. I realized at the time, and realize now, that the Committee on Agriculture, as well as the House itself, would desire more time than it has at its disposal in this short session for passing judgment on so far-reaching an agricultural policy as is implied in the establishment of the American institute of agriculture which I have recommended.

In view of this, I recommended to the committee that the bill which it decides to report out should contain at least a paragraph calling for the appointment of a congressional commission with authority to report back to the House a plan along the lines which I have outlined. Those sponsoring the Haugen bill, however, refused to have that document touched or amended in any way.

No pride of authorship will influence my judgment in my vote on any of these temporary relief measures. The plight of agriculture is so serious that I am willing to experiment with the best type of emergency relief bill that we can get through this Congress. But I am thoroughly convinced in my own mind that we will sooner or later have to come to the formulation and administration of a national agricultural policy, if we desire the farmers of America to compete on equal terms with organized industry. Until this is done agriculture will not get its just share of the wealth it produces. [Applause.]

Mr. Chairman, in the course of my remarks I have referred to the annual Outlook published by the United States Department of Agriculture. I insert here in the RECORD a copy of the summary statement issued by that department and released for publication January 28, 1927. A more complete statement may be secured from the Department of Agriculture:

THE 1927 AGRICULTURAL OUTLOOK

A favorable year for livestock producers is in prospect for 1927 but with an average season a continuation of relatively low returns from most cash crops is probable, unless acreages are reduced, according to the annual Agricultural Outlook report for 1927 issued to-day by the Bureau of Agricultural Economics of the United States Department of Agriculture.

A summary of the report follows:

Domestic demand for farm products of the 1927–28 season is not likely to be materially different from the present.

Some improvement in the purchasing power of foreign countries for agricultural products of 1927 may be expected, but it is probable that larger foreign production of breadstuffs, fruits, and animal products will reduce foreign demand for our exportable surpluses of these products.

A slightly larger supply of farm labor will probably be available in regions adjacent to industrial centers, and wages may be lower. No material changes in the price of farm machinery and building materials may be expected. Wholesale prices of fertilizer are lower than last year.

Cotton production must be curtailed drastically the coming season to restore the balance between consumption and supply at remunerative prices to growers. With average yields a reduction of about 30 per cent in acreage appears necessary to give growers the best gross returns for the 1927 crop. The chances for profitable production will be best if the acreage is small, costs held to a minimum, and efforts are made to improve the quality of the crop.

Hard spring and durum wheat growers can scarcely expect to receive returns for the 1927 crop similar to those which have prevailed for the 1926 crop, especially if production should be materially increased.

Flaxseed prices for the 1927 crop are unlikely to be higher than at present. Where flax is profitable at present some increase in acreage may be made.

Reports indicate a reduction in the rye area seeded throughout the world, but with average or better than average yields the production in 1927 may make the total world supply equal to or greater than in the past year, so that rye prices are likely to show little change from the present.

The too rapid expansion of rice acreage has resulted in a production in excess of demand at satisfactory prices. Some reduction in acreage rather than further increase appears advisable.

The demand for the 1927 corn crop is expected to be little, if any, greater than for the 1926 crop. With probable increases of corn acreage in the South, and with no probability of increased demand for corn in 1927, corn growers are faced with the prospect of lower prices unless acreage in substantially reduced.

Oats and barley for feed are unlikely to be in greater demand during the coming year as compared with 1926. The market value will be determined largely by the supply of these and other feed grains.

Hay requirements are not likely to be increased, because the number of hay-consuming animals continues to decrease.

Unless livestock production is held at about the present level, allowing for increase in population from year to year, present prices can not be maintained.

With beef-cattle marketings in 1927 probably materially less than in 1926, and the demand for beef maintained, prices of slaughter and feeder cattle are expected to average somewhat higher than in 1926. On the whole, cattle prices are expected to continue the upward price swing begun in 1922.

Hog producers have a favorable outlook this year. The market supply of hogs probably will be little if any larger than in 1926, and domestic demand is expected to continue strong. Hog prices are likely to be maintained near the 1926 level. Prices now prevailing can be continued through 1928 only if farmers hold down hog production to the level of the past two years.

Sheep production is expected to continue to increase moderately, and lamb supplies this year may be slightly larger than in 1926. Strong consumptive demand for lamb is expected, but feeder demand may be less active than last year in some sections. The wool market appears firm, with no marked price changes in sight.

The present situation in the mohair market does not warrant further expansion of production at the present time.

The dairy industry is on a stronger basis than a year ago. Dairymen are likely to have a moderately favorable spread between the price of feed and the price of dairy products.

Egg and poultry producers in most sections of the country may expect a fairly satisfactory year, although perhaps not as profitable as 1926. A moderate increase in egg production and no decrease in poultry marketings is expected.

Horses and mules are in sufficient supply to meet farmers' needs the coming season, but the number of young stock is only large enough to replace about half the number of work stock now on farms. Farmers can not expect to replace their work stock 3 to 10 years from now at the low level of present-day horse prices.

Potato growers should guard against the danger of overplanting and keep close watch on acreages being planted in competing States.

Sweet-potato acreage should be increased only by growers who need the increased supply for their own use, who can dispose of the crop on their local markets, or who can afford to produce a crop at relatively low prices.

Any increase in cabbage acreage over 1926 is likely to result in increased production, with accompanying lower prices.

Onion acreage should be reduced sharply to prevent an excessive market supply. The outlook for the Bermuda type appears fairly good.

Bean acreage should be reduced under last year's area to prevent an excessive supply, varying with the type of bean grown.

The trend of fruit production is upward, and expansion of acreage would not be justified except under unusually favorable conditions. However, a crop of fruit as large as that of last year, which was due to the uniformly favorable weather, is not likely to occur very often.

A continuing increase in the volume of both oranges and grapefruit may be expected, which makes the outlook unfavorable for additional plantings for some time.

The apple industry is approaching a more stabilized condition, but with an average crop prices will undoubtedly be higher next season. Commercial plantings are hardly justified at present, except where local production or market conditions are unusually favorable.

New commercial plantings of peaches should not be undertaken in the Southern States, since a large number of young trees have not yet come into bearing and production is rapidly increasing.

Grape production is expected to continue heavy, and new vineyards should not be set out except where conditions are extremely favorable.

Strawberry returns per acre, with average yields, in 1927 probably will be considerably less than the average for the past two years. Acreage has increased considerably, and caution should be exercised by growers who contemplate increasing acreage this spring.

Cantaloupe acreage should be cut in the early shipping region and the same acreage as last year or a slight reduction be effected in the mid-season and late shipping States.

Watermelon acreage should be reduced in 1927 in order to prevent a repetition of the generally unsatisfactory prices received last season as a result of extremely heavy production.

Peanut acreage of the large-podded variety the same as last year is likely to mean another year of unsatisfactory prices to growers. As much as 25 per cent more land might be planted to the small and medium podded types than in 1926, with prospects reasonably satisfactory, although lower market prices.

Red and alsike clover seed production should be increased because of depleted stocks and likelihood of high prices next fall. The area of alfalfa and sweet clover for seed sould not be increased, as present production is more than ample to take care of requirements.

Tobacco of the cigarette types is in increasing demand, but not sufficient to stand heavily increased acreage. Producers of dark fired and dark air-cured export type are faced with increased foreign competition in a contracting market. Growers in the flue-cured region should guard against overproduction. Quality rather than quantity production is needed in the cigar-leaf districts.

Sugar prices seem to be trending toward higher levels, with world production below that of last year and increasing consumption. Growers in well-established sugar-beet districts where adequate yields can be expected will probably find it advantageous to increase acreage up to factory capacity if satisfactory contracts can be secured.

Mr. FUNK. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. COLE].

The CHAIRMAN. The gentleman from Iowa is recognized for 10 minutes.

Mr. COLE. Mr. Chairman and members of the committee, we have heard a great deal this afternoon about both whisky and agriculture. I have a little bill which includes both whisky and agriculture. They are combined. I introduced it the other day as an amendment to the tariff act of 1922, and my colleague in the Senate, Mr. Stewart, introduced the same bill in the Senate on the same day. It amends section 502 of the tariff act.

When we enacted that legislation, the tariff act, we put a very low tariff rate on a by-product of foreign sugar-cane mills, some of them as far away as India, a product that is known as "blackstrap," which is a low-grade molasses. I went before the Committee on Ways and Means and got that rate reduced in the interest of the users of stock foods. They use "blackstrap" as a mixture in such foods.

They are now taking advantage of this low rate on this product. They have taken it away from us, and they are making it into alcohol. [Applause.] It is all right to make alcohol, for this alcohol is legitimate; it is industrial alcohol. Last year they made 102,000,000 gallons of industrial alcohol out of this cheap imported stuff.

I am in favor—and my bill has that purpose—of increasing the tariff duties on this imported blackstrap, so that the growers of American corn and American rye can compete with this refuse of the foreign mills. It is the application, ladies and gentlemen, of the idea that the tariff ought to be made operative for agriculture as well as for industry. [Applause.] If we are going to have a tariff—and I believe in a tariff and I believe also that many of the duties we now levy ought to be increased—it must protect not merely the things that are made in the cities but it must protect the things that are grown on the farms of the United States. [Applause.]

There is no more reason why this blackstrap should be dumped in this country than there is reason for dumping any manufactured products in this country. If we should make these 102,000,000 gallons of industrial alcohol from corn and rye, we would have a market for 25,000,000 bushels of rye and corn.

Mr. CRISP. Will the gentleman yield?

Mr. COLE. Yes.

Mr. CRISP. Is there any more reason for us to dump our surplus products on Europe, the loss to be made up through an equalization fee, than there is for some other country to dump some of its products in this country?

Mr. WOODRUFF. Will the gentleman from Iowa yield just there?

Mr. COLE. Yes.

Mr. WOODRUFF. I would like to ask the gentleman from Georgia if any bill which has been introduced in the House or considered by the Agricultural Committee contemplates the arbitrary dumping of any commodity on any foreign market?

Mr. CRISP. I think the Haugen bill would do that and that the whole scheme of it is to do that. It provides that the surplus shall be sold abroad, the loss to be made up and paid out of the equalization fee.

Mr. WOODRUFF. But the Haugen bill contemplates feeding the surplus agricultural crops to foreign markets as they can absorb them naturally and normally. I do not think any agricultural bill, even the gentleman's own bill, contemplates the dumping of surplus agricultural products upon foreign markets. I think it is unfair for the gentleman from Georgia to say we would do that in any of the bills.

Mr. LEAVITT. Will the gentleman from Iowa yield?

Mr. COLE. Yes.

Mr. LEAVITT. Is it not true that the dumping of the surplus on foreign markets would defeat the purpose of the Haugen bill, because the loss would be made up out of the equalization fees, and that, of course, would mean a loss to the farmers? The very thing we do not want to do is to dump our surplus.

Mr. COLE. I will say to my friend from Georgia, who is the author of one of the agricultural bills, that if he will assist us in getting this tariff on blackstrap increased, we will make a market for 25,000,000 bushels of corn and rye, and there will be that much corn and rye that will not have to be dumped in Europe. [Applause.]

Mr. LINTHICUM. Will the gentleman yield?

Mr. COLE. Yes.

Mr. LINTHICUM. As I understand the gentleman does not object to the manufacture of this alcohol?

Mr. COLE. Oh, no.

Mr. LINTHICUM. But the gentleman does object to the manufacture of this alcohol out of blackstrap instead of out of corn and rye from his section of the country. Is that the gentleman's idea?

Mr. COLE. That is the only objection I have to the importation of blackstrap. I am perfectly willing that we shall make this industrial alcohol. We know there is alcohol used in the industries. You can not make a bottle of perfume without using alcohol. They use it in a thousand different ways; we all know it is made and we all know it is used; it is provided for in the law and I want to continue to make it, and I even hope the amount that is made will be increased and not decreased, but all to be used legitimately in the legitimate industries.

Mr. LEHLBACH. Will the gentleman yield?

Mr. COLE. Yes.

Mr. LEHLBACH. And it necessarily follows that the more alcohol is used in the country the better off the farmers will be?

Mr. COLE. Well, I would not want to admit quite that much. [Laughter.] It depends entirely on how you use it and what you use it for. I am perfectly willing that the amount of alcohol used in industry shall be multiplied many times, but in the meantime I insist that while we are using 102,000,000 gallons of industrial alcohol we shall make it out of an American product and help the American farmer to that extent. As I have said before, it requires 25,000,000 bushels of grain to make that quantity of alcohol, and a market for that much grain would be a very material help for agriculture.

Mr. FUNK. Will the gentleman yield?

Mr. COLE. Yes.

Mr. FUNK. As I understand, your bill, however, exempts the blackstrap that is used for stock feeds?

Mr. COLE. Oh, yes. We have very carefully provided that the blackstrap used for stock feeds shall not be tariff taxed but when it is applied to the making of alcohol we want to see the tariff duty increased.

Mr. ARENTZ. Will the gentleman yield?

Mr. COLE. Yes.

Mr. ARENTZ. If the gentleman is going to prohibit the use of blackstrap for the manufacture of alcohol he will have

to put something in his bill to prohibit the use of coal-tar derivatives; in other words, prohibit coke ovens from making alcohol, because I understand Germany is now producing tens of millions of gallons of alcohol from coal tar and from the coke-oven refuse at 27 cents a gallon.

Mr. COLE. I understand that is possible. But so long as we can make alcohol from many of our own surplus products, I would put a tariff on imported alcohols and on imported materials from which alcohols can be made and put that tariff high enough to enable us to compete. I see no more reason why we should import alcohol from Germany because they can make it there cheaper than I see reason for importing steel or clothing from Germany because they can make them cheaper there. Our tariff policy is not based on such considerations of cheapness.

But as to alcohol made from coal tar, it could not be used for all purposes, for it is hardly fit for human use.

Mr. ARENTZ. On the contrary, it can be used internally and that is the strange part of it; it is synthetic alcohol, but it can be used for that purpose.

Mr. LINTHICUM. Will the gentleman yield again?

Mr. COLE. Yes.

Mr. LINTHICUM. As I understand it, you can not manufacture commercial alcohol out of corn and rye because it would be too high?

Mr. COLE. Oh, no; the difference in the cost of manufacturing alcohol from grain and from blackstrap would be very small, expressed in cents.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. FUNK. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. COLE. The difference in the cost, I repeat, of alcohol made from American-grown corn and rye and alcohol made from imported blackstrap is very small, especially when you consider what industrial alcohol is used for. It is an ingredient in many preparations where the cost of the alcohol bears no important relation to the final price of the product. If the price of a gallon of this alcohol were increased by a few cents, it would make no material difference in the cost of the products into which it enters, hardly enough to be passed on to the purchaser.

But the price, in any event, would not be the only thing to be considered. I think we might as well admit that we could and would get some things cheaper if we took off the tariff. We put the tariff on to protect the American maker or grower so that he may compete with the foreign maker or grower who has a lower labor cost, for one thing.

Why should we object to a tariff, a real protective tariff, on imported blackstrap that enters into competition with American corn and rye any more than we object to a tariff on steel or rayon? Why is the manufacturer of steel or rayon more entitled to protection than the grower of corn or rye? If we are going to protect the one we must protect the other, or we shall not be able to maintain our tariff laws.

The users of industrial alcohol may well be called upon to pay a little more, if necessary, if thereby we help to create a market for American products, which in this case is a market for 25,000,000 bushels of rye and corn.

And so far as the alcohol produced from coal tar is concerned, if that is made in Germany, I am in favor of putting a tariff on it high enough to enable us to compete with it when manufacturing alcohol out of our own products and by our own labor.

Mr. BANKHEAD. Will the gentleman yield?

Mr. COLE. Yes.

Mr. BANKHEAD. Has the gentleman discussed this proposal with the majority members of the Ways and Means Committee?

Mr. COLE. I have.

Mr. BANKHEAD. With what success?

Mr. COLE. My colleague, who is the chairman of the Ways and Means Committee [Mr. GREEN of Iowa], is present. I think the Republican members of the Ways and Means Committee are favorable to this amendment. I see no reason why a Republican member of the committee should not be in favor of increasing the tariff on blackstrap if they make articles out of blackstrap which compete with our own farm products.

Mr. WOODRUFF. Will the gentleman yield?

Mr. COLE. Yes.

Mr. WOODRUFF. Is it the gentleman's opinion that the present clause in the tariff law which permits the Tariff Commission to investigate any particular schedule and recommend to the President an increase of 50 per cent would apply in this case?

Mr. COLE. No; it would not apply in this instance because the tariff on this particular article is so low that a 50 per cent increase would amount to nothing in stopping its importation.

Mr. WOODRUFF. The gentleman feels, then, that an increase of one-half of the present tariff would not be effective?

Mr. COLE. It would be absolutely useless and worse than useless. It would be a mockery.

The only thing to do is for the Ways and Means Committee to investigate this subject and put on a tariff high enough to enable the manufacturer of alcohol produced from American grains to compete with the alcohol that is made from imported blackstrap. [Applause.]

Mr. GRIFFIN. Mr. Chairman, I yield three minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. FUNK. Mr. Chairman, I yield the gentleman two minutes.

Mr. LARSEN. Gentlemen, we have consumed a great deal of the present session of Congress discussing liquor, "blackstrap," and such matters. May I suggest, gentlemen, that if some of us do not quit talking so much about subjects in which the people are not greatly interested we are going to need liquor along about next year to cheer us up after we have had blackstrap. [Laughter.]

The people, as a matter of course, know we have to pass the appropriation bills at this session of the Congress. They expect us to do this. There is only about one other question before the Congress that is worthy of any real consideration, and those of you who do not know that we must give consideration to this subject before adjournment of Congress certainly ought to know it. I refer to farm-relief legislation. [Applause.]

The great difficulty with the farm-legislation program is that we have too many farm-relief experts in Congress, each of whom has a plan, if not a bill, of his own. The plans and bills may be good—whether they are or are not I do not purpose to say at this time—but I do want to say that we have entirely too many. We have at least 20 bills. Some of them might bring relief; lots of them would not.

We have two proposals to-day, one by the gentleman from Mississippi [Mr. WHITTINGTON] and one by the gentleman from New York [Mr. JACOBSTEIN]. We have had before us for consideration various bills during previous sessions and have considered them carefully.

In my judgment, gentlemen, there is only one bill in which the American farmer is greatly interested. Farmers of the North, farmers of the great Middle West, farmers of the great West, and farmers of the South have for once gotten together on a farm program. All we need now is for the Representatives of those farmers assembled in Congress from the various sections of the country to get together and enact this farm program into legislation.

A very significant thing happened in my own State last week. On Thursday, January 27, Mr. Aaron Sapiro, general counsel of the American Cotton Growers' Exchange, speaking before the twentieth annual conference of farmers at the State College of Agriculture at Athens, Ga., in part, said:

> The McNary-Haugen bill might possibly be of benefit to the wheat farmers of the country, but it couldn't possibly be of any material aid to the cotton growers under present surplus conditions.
>
> The Crisp bill carries greater possibilities for the southern farmer, but the problem will never be solved by legislation but through the organization of the farmer and the proper marketing of his products.

After Mr. Sapiro had delivered himself of what I suppose he thought was a magnificent oration, perhaps feeling as proud of it as many of us do here when we have delivered ourselves of some of these farm-problem speeches, but I am sure he woke up to a realization of the fact that he had not expressed the sentiment of those whom he claims to represent, for when his farmer clients got together here is the resolution they passed:

> Whereas it is the sense of the managers of all of the State cotton growers' cooperative associations in regular monthly meeting assembled, that we reaffirm our unqualified indorsement of the principles of the McNary-Haugen bill now before the Senate and the House of Representatives and declare that it is our judgment that no other bill now before Congress will meet the needs of the cotton growers as is provided in the McNary-Haugen bill.
>
> [Applause.]
>
> We further declare that the address made by Aaron Sapiro before the school of cooperative marketing, held at the Georgia State College of Agriculture, indorsing the Crisp bill does not represent the views of the cotton cooperatives, and we call upon our delegates in Congress to rally to the support of the McNary-Haugen bill as the one solution of the farm-surplus problem which has brought such havoc to cotton prices during the past few months.

Mr. CRISP. Mr. Chairman, will my friend yield?

Mr. LARSEN. I will be very glad to.

Mr. CRISP. Did not the Georgia Cotton Growers' Cooperative Association dissent from the resolutions adopted by the American Cotton Growers' Exchange?

Mr. LARSEN. When the gentleman interrupted me, I was preparing to so state.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GRIFFIN. Mr. Chairman, I yield the gentleman two more minutes.

Mr. LARSEN. Yes; one lone representative of the Georgia Cotton Growers' Cooperative Association, Mr. Conwell, who came to the Capitol last year and prevailed upon me to call a meeting of the Georgia delegation, before which he appeared and urged passage of the Haugen bill, voted for Sapiro. Every other representative from the cotton-growing States, 11 in number represented, I believe, at Athens, in this convention, except the State of Texas, which was not represented, voted for the McNary-Haugen bill and to condemn Mr. Sapiro's position. [Applause.]

Mr. WEFALD. Will the gentleman yield?

Mr. LARSEN. Yes; gladly.

Mr. WEFALD. I want to say that the potato growers of my State were organized by Sapiro and it cost the State $2,000,000 in one year.

Mr. LARSEN. The probabilities are Mr. Sapiro will soon have to pay a little himself, for his speech at Athens, Ga., will probably put him out of a job. [Applause.]

Mr. LANKFORD. Yes; and it should.

Mr. LARSEN. Mr. Chairman, under the privilege granted, I submit for publication in the RECORD an editorial which appeared in the Chicago Tribune of January 29, paying just tribute to our colleague, Mr. DICKINSON, of Iowa, for his splendid analysis of both the Haugen and the Crisp-Curtis bills. The editorial is as follows:

THE AGRICULTURAL BILLS

If half of the energy which seems to be exploding in Congress over the Nicaraguan affair were put into a cylinder and directed at agricultural legislation we should have some substantial results at this session. There is certainly need for results and Congress should not fail to accomplish them before adjournment.

The parliamentary difficulty is that the President favors one bill, while the most representative and vigorous organizations of farming opinion favor another. Yet this ought not to prevent action. The situation is too serious and the ability of Congress to relieve it materially is too real to permit of excuse for further postponement.

Mr. HAUGEN'S statement of the agricultural situation and his analysis of means required to correct it was admirably considered, and Mr. DICKINSON'S discussion of the Haugen bill and the Curtis-Crisp bill ought greatly to strengthen the former measure and impress even the administration supporters of the latter. The Haugen bill has been amended by the removal of the provisions chiefly criticized and we believe has the preference of the general body of agricultural opinion and of men, like Mr. Lowden, who have given special study to the economics of agriculture and are by no means radical or impractical. We do not think the best opinion in the West will be satisfied with the Curtis-Crisp measure, and we think the Haugen bill in its present form represents at least an experiment which can safely be tried and ought to be tried. The objections to it are largely theoretical, if not prejudiced, and pride of opinion should not be permitted to defeat it.

I also submit an editorial which appears in the Southern Ruralist, Atlanta, Ga., as of February 1, but which was delivered in Washington to-day. The Ruralist is the greatest farm paper of the South and occupies a splendid position to speak for agriculture:

MUST NOT ACCEPT COMPROMISE

Senator CURTIS of Kansas and Representative CRISP of Georgia are said to have just introduced a compromise measure intended to take the place of the McNary-Haugen farm relief bill, or others that embody the equilization fee principle, looking particularly toward getting the whole question of farm relief out of the way in order to clear the political battle field for 1928.

And right here you have pointed out the chief and compelling consideration back of many of the acts of our politicians. In other words, they think first of political expediency and the promotion of party politics and secondly, if at all, of their responsibility to their people. If politically the Curtis-Crisp bill is a good thing, then to many a politician that is all the reason necessary to enlist his full support, in spite of the fact that it is the sort of compromise that actually would defeat the very purpose that agriculture has in mind.

To begin with, the Curtis-Crisp idea leaves out the equalization fee. Take that out and you take the heart out, and, so far as agriculture is concerned, we had just about as well have no bill passed at all. The equalization fee is not only necessary to the better control of production but it is absolutely the key to the whole plan of lifting the domestic price of farm products above the world level, up to the level of the domestic price of industrial products and the domestic income of labor. Unless we lift agricultural prices up by artificial measure, as labor and industry have been lifted up, we will leave the whole farm industry right where it is now—at a disadvantage of some 20 per cent as to industry and labor.

The Curtis-Crisp political expediency, if enacted into law, would continue to force our farmers into competition with the laborers of Africa, Egypt, India, and China, the most miserably paid workers in the world. Labor there is cheap beyond belief. The products of this labor are produced at a fraction of what it costs us here to produce them. As a result they live in poverty, a level toward which we are forced as long as we have to meet them on their own economic battle ground, as is now the case. Brought face to face with this sort of competition, while others are protected from it, how is agriculture ever going to enjoy an "American standard of living," the thing industry insists upon having as its natural right and the thing labor also insists upon having as a right, and the very thing, moreover, that tariff was put on to bring about, and the very thing that immigration restriction was intended to do?

Mr. CRISP may be doing the Democratic Party, as a political machine, a fine bit of strategic work, but whether he realizes it or not he is playing the very mischief with his farmer constituents back in Georgia. And it may be the very essence of political strategy, from the point of view of the Republican Party, for Mr. CURTIS to win all the southern help he can away from the McNary-Haugen idea to the support of a denatured, meaningless compromise. If his constituents in Kansas are thinking straight on economics, if they realize their place in our present-day social and economic structure and take up the fight for themselves and their interests, as is right and as is best for the whole Nation; if they can not bring their Senator to support their cause conscientiously and vigorously, and he insists on bartering away their hopes of a square deal, as he now seems so willing to do, they will leave that distinguished gentleman at home the next round.

The time has come when agriculture has got to stand out boldly and firmly for its rights. In mapping out a course of action we should realize that our whole economic policy is and for years has been committed to a hothouse system of protection—for industry. This has been true ever since we have been old enough to know what was going on. Take the Underwood tariff schedule for instance. This was a Democratic measure, and yet it was only unlike the present Republican measure in degree. The principle underlying both is about the same. The point is, if our farmers have a drop of practical blood in their veins, it must be very clear that the only way in the world that agriculture will ever be able to step up and toe the line with industry and labor is to force the application of the same policy to agriculture that has been so effectively used to promote the special interests of industry and labor. And "force" is the right word. Nothing is going to be given to agriculture; nothing is going to be handed to it on a silver platter.

In taking up the fight we must remember that in many cases we are dealing with past masters at deception, individuals who, indeed, have on many occasions substituted honeyed words for honest, courageous action. We must remember, also, that those who feel that cheap food and cheap clothes are not only necessary to the success of labor and industry but a sort of born right are closely organized, powerfully financed, and powerfully intrenched. Nothing better illustrates this point than the position and attitude of the Secretary of our Treasury, one of the richest bankers and one of the most powerful industrialists in the world. Secretary Mellon in his vigorous opposition to the McNary-Haugen equalization fee principle based his argument upon the ground that if the principle was applied to agriculture it would immediately raise the price of farm products and increase the cost of living. And it is interesting to remember, too, that President Coolidge told the farmers to their teeth in a great convention in Chicago that they could have no such thing as an equalization fee, that it was just another name for a subsidy. Moreover, as he saw it, this was utterly uneconomic. But he believes in a tariff, subsidy or no subsidy, and he believes thoroughly in immigration restriction though it, too, is the equivalent of an enormous subsidy to labor. But anything of this sort for the farmer is not only uneconomic but is radically un-American.

Senator CURTIS and Congressman CRISP are playing the administration's game, a game that will crush agriculture in this country down to the lowest levels of peasantry if continued with the same vengeance on down through the years ahead as that manifested in the past. Shall we see that? Maybe we who are now living won't but our children certainly will if we who vote, if we who call ourselves citizens and guardians of the rights of the people sit complacently by and do nothing about it. If we could always be conscious of the fact that an officeholder above all things wants to hold to his office or get a better one, and that he can hear well and that he will act promptly when action is demanded by those to whom he must look for continuance in office, he would act and we would get things done with astonishing promptness. If there are those who question the logic of this statement there was

never a more appropriate time than now to try it out and see whether it is true or not. There is Muscle Shoals yet to be disposed of, and there is this Curtis-Crisp compromise. We want Muscle Shoals devoted wholly to the manufacture of fertilizer in peace times and to be ready to serve the Nation with ammunition when we are at war. As to the Curtis-Crisp compromise, it is a pernicious thing and should promptly be chloroformed.

If Southern agriculture will put up a solid front and show becoming interest and energy, all of our Senators and all of our Congressmen will step in line and do what needs to be done, and in due time we will reap the rich reward for having done a little thinking and a little fighting in our own behalf.

Mr. FUNK. Mr. Chairman, I yield five minutes to the gentleman from West Virginia [Mr. BACHMANN].

Mr. BACHMANN. Mr. Chairman, on January 17, 1927, the Supreme Court of the United States, in the case of McGrain against Daugherty, handed down a very important decision. This decision is of the utmost importance to the Congress and the public generally, because it deals with the power of the Senate or the House of Representatives to compel through its own process a private individual to appear before it or one of its committees and give testimony needed to enable it to efficiently exercise a legislative function belonging to it under the Constitution.

Mally S. Daugherty was subpœnaed to appear before a select committee of the United States Senate to give testimony relative to the administration of Harry M. Daugherty and the Department of Justice, which was being investigated by the Senate. The witness failed to appear, and the Senate adopted a resolution commanding the Sergeant at Arms to take into custody the body of the said Mally S. Daugherty and bring him before the bar of the Senate to answer such questions as the Senate may order propounded. The Sergeant at Arms took the witness into custody with the purpose of bringing him before the bar of the Senate, whereupon the witness petitioned the Federal district court for a writ of habeas corpus. Upon hearing, the district court held the detention was unlawful and discharged the witness on the ground that the Senate had exceeded its powers under the Constitution. The matter was then appealed to the Supreme Court of the United States.

The Supreme Court held that the power of inquiry with process to enforce it is an essential and appropriate auxiliary to legislative function; that the investigation was ordered for a legitimate object; that the witness wrongfully refused to appear and testify and was lawfully attached; that the Senate was entitled to have him give testimony pertinent to the inquiry, either at its bar or before the committee.

This decision therefore settles the question that the Senate or the House of Representatives, both being on the same plane in this regard, has power through its own process to compel private individuals to appear before it or one of its committees and give testimony, to enable it efficiently to exercise legislative functions belonging to it under the Constitution.

I regard this case of such unusual importance that I desire to insert the decision in full as part of my remarks.

The CHAIRMAN. The gentleman from West Virginia asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. BACHMANN. Mr. Speaker, under leave granted me to extend my remarks, I present the following opinion of the Supreme Court of the United States:

SUPREME COURT OF THE UNITED STATES

(No. 28.—October Term, 1926)

John J. McGrain, Deputy Sergeant at Arms of the United States Senate, appellant, *v.* Mally S. Daugherty. Appeal from the District Court of the United States for the Southern District of Ohio

[January 17, 1927]

Mr. Justice Van Devanter delivered the opinion of the court.

This is an appeal from the final order in a proceeding in habeas corpus discharging a recusant witness held in custody under process of attachment issued from the United States Senate in the course of an investigation which it was making of the administration of the Department of Justice. A full statement of the case is necessary.

The Department of Justice is one of the great executive departments established by congressional enactment and has charge, among other things, of the initiation and prosecution of all suits, civil and criminal, which may be brought in the right and name of the United States to compel obedience or punish disobedience to its laws, to recover property obtained from it by unlawful or fraudulent means, or to safeguard its rights in other respects; and also of the assertion and protection of its interests when it or its officers are sued by others. The Attorney General is the head of the department, and its functions are all to be exercised under his supervision and direction. (Rev. Stats. secs. 346, 350, 359, 360, 361, 362, 367; Judicial Code, secs. 185, 212; c. 382, secs. 3, 5, 25 Stat. 858, 859; c. 647, sec. 4, 26 Stat. 209; c. 3935, 34 Stat. 816; c. 323, sec. 15, 38 Stat. 736; United States *v.* San Jacinto Tin Co., 125 U. S. 273, 278; Kern River Co. *v.* United States, 257 U. S. 147, 155; Ponzi *v.* Fessenden, 258 U. S. 254, 262.)

Harry M. Daugherty became the Attorney General March 5, 1921, and held that office until March 28, 1924, when he resigned. Late in that period various charges of misfeasance and nonfeasance in the Department of Justice after he became its supervising head were brought to the attention of the Senate by individual Senators and made the basis of an insistent demand that the department be investigated to the end that the practices and deficiencies which, according to the charges, were operating to prevent or impair its right administration might be definitely ascertained, and that appropriate and effective measures might be taken to remedy or eliminate the evil.

The Senate regarded the charges as grave and requiring legislative attention and action. Accordingly it formulated, passed, and invited the House of Representatives to pass (and that body did pass) two measures taking important litigation then in immediate contemplation out of the control of the Department of Justice and placing the same in charge of special counsel to be appointed by the President (CONG. REC., 68th Cong., 1st sess., pp. 1520, 1521, 1728; c. 16, 43 Stat. 5; CONG. REC., 68th Cong., 1st sess., pp. 1591, 1974; c. 39, 43 Stat. 15; c. 42, 43 Stat. 16); and also adopted a resolution authorizing and directing a select committee of five Senators—

"to investigate circumstances and facts, and report the same to the Senate, concerning the alleged failure of Harry M. Daugherty, Attorney General of the United States, to prosecute properly violators of the Sherman Antitrust Act and the Clayton Act against monopolies and unlawful restraint of trade; the alleged neglect and failure of the said Harry M. Daugherty, Attorney General of the United States, to arrest and prosecute Albert B. Fall, Harry F. Sinclair, E. L. Doheny, C. R. Forbes, and their coconspirators in defrauding the Government, as well as the alleged neglect and failure of the said Attorney General to arrest and prosecute many others for violations of Federal statutes, and his alleged failure to prosecute properly, efficiently, and promptly, and to defend all manner of civil and criminal actions wherein the Government of the United States is interested as a party plaintiff or defendant. And said committee is further directed to inquire into, investigate, and report to the Senate the activities of the said Harry M. Daugherty, Attorney General, and any of his assistants in the Department of Justice which would in any manner tend to impair their efficiency or influence as representatives of the Government of the United States."

The resolution also authorized the committee to send for books and papers, to subpœna witnesses, to administer oaths, and to sit at such times and places as it might deem advisable. (For the full resolution and two amendments adopted shortly thereafter see CONG. REC., 68th Cong., 1st sess., pp. 3299, 3409–3410, 3548, 4126.)

In the course of the investigation the committee issued and caused to be duly served on Mally S. Daugherty—who was a brother of Harry M. Daugherty and president of the Midland National Bank, of Washington Court House, Ohio—a subpœna commanding him to appear before the committee for the purpose of giving testimony bearing on the subject under investigation, and to bring with him the "deposit ledgers of the Midland National Bank since November 1, 1920; also note files and transcript of owners of every safety vault; also records of income drafts; also records of any individual account or accounts showing withdrawals of amounts of $25,000 or over during above period." The witness failed to appear.

A little later in the course of the investigation the committee issued and caused to be duly served on the same witness another subpœna commanding him to appear before it for the purpose of giving testimony relating to the subject under consideration, nothing being said in this subpœna about bringing records, books, or papers. The witness again failed to appear, and no excuse was offered by him for either failure.

The committee then made a report to the Senate stating that the subpœnas had been issued; that according to the officer's returns—copies of which accompanied the report—the witness was personally served; and that he had failed and refused to appear. (S. Rept. No. 475, 68th Cong., 1st sess.) After a reading of the report, the Senate adopted a resolution reciting these facts and proceedings, as follows (CONG. REC., 68th Cong., 1st sess., pp. 7215–7217):

"Whereas the appearance and testimony of the said M. S. Daugherty is material and necessary in order that the committee may properly execute the functions imposed upon it and may obtain information necessary as a basis for such legislative and other action as the Senate may deem necessary and proper: Therefore be it

"*Resolved*, That the President of the Senate pro tempore issue his warrant commanding the Sergeant at Arms or his deputy to take into custody the body of the said M. S. Daugherty, wherever found, and to bring the said M. S. Daugherty before the bar of the Senate, then and there to answer such questions pertinent to the matter under inquiry as the Senate may order the President of the Senate pro tempore to propound; and to keep the said M. S. Daugherty in custody to await the further order of the Senate."

It will be observed from the terms of the resolution that the warrant was to be issued in furtherance of the effort to obtain the personal

testimony of the witness and, like the second subpœna, was not intended to exact from him the production of the various records, books, and papers named in the first subpœna.

The warrant was issued agreeably to the resolution and was addressed simply to the Sergeant at Arms. That officer on receiving the warrant indorsed thereon a direction that it be executed by John J. McGrain, already his deputy, and delivered it to him for execution.

The deputy, proceeding under the warrant, took the witness into custody at Cincinnati, Ohio, with the purpose of bringing him before the bar of the Senate as commanded; whereupon the witness petitioned the Federal district court in Cincinnati for a writ of habeas corpus. The writ was granted and the deputy made due return, setting forth the warrant and the cause of the detention. After a hearing the court held the attachment and detention unlawful and discharged the witness, the decision being put on the ground that the Senate in directing the investigation and in ordering the attachment exceeded its powers under the Constitution (299 Fed. 620). The deputy prayed and was allowed a direct appeal to this court under section 238 of the Judicial Code as then existing.

We have given the case earnest and prolonged consideration, because the principal questions involved are of unusual importance and delicacy. They are (a) whether the Senate—or the House of Representatives, both being on the same plane in this regard—has power, through its own process, to compel a private individual to appear before it or one of its committees and give testimony needed to enable it efficiently to exercise a legislative function belonging to it under the Constitution, and (b) whether it sufficiently appears that the process was being employed in this instance to obtain testimony for that purpose.

Other questions are presented which in regular course should be taken up first.

The witness challenges the authority of the deputy to execute the warrant on two grounds—that there was no provision of law for a deputy, and that, even if there were such a provision, a deputy could not execute the warrant because it was addressed simply to the Sergeant at Arms. We are of opinion that neither ground is tenable.

The Senate adopted in 1889 and has retained ever since a standing order declaring that the Sergeant at Arms may appoint deputies "to serve process or perform other duties" in his stead, that they shall be "officers of the Senate," and that acts done and returns made by them "shall have like effect and be of the same validity as if performed or made by the Sergeant at Arms in person." (Senate Journal 47, 51–1, December 17, 1889; Senate Rules and Manual, 68th Cong., p. 114.) In actual practice the Senate has given full effect to the order; and Congress has sanctioned the practice under it by recognizing the deputies—sometimes called assistants—as officers of the Senate, by fixing their compensation and by making appropriations to pay them. (41 Stat. 632, 1253; 42 Stat. 424, 1266; 43 Stat. 33, 580, 1288.) Thus there was ample provision of law for a deputy.

The fact that the warrant was addressed simply to the Sergeant at Arms is not of special significance. His authority was not to be tested by the warrant alone. Other criteria were to be considered. The standing order and the resolution under which the warrant was issued plainly contemplated that he was to be free to execute the warrant in person or to direct a deputy to execute it. They expressed the intention of the Senate; and the words of the warrant were to be taken, as they well could be, in a sense which would give effect to that intention. Thus understood, the warrant admissibly could be executed by a deputy if the Sergeant at Arms so directed, which he did.

The case of Sanborn *v.* Carleton (15 Gray 399), on which the witness relies, related to a warrant issued to the Sergeant at Arms in 1860, which he deputed another to execute. At that time there was no standing rule or statute permitting him to act through a deputy, nor was there anything in the resolution under which the warrant was issued indicative of a purpose to permit him to do so. All that was decided was that in the absence of a permissive provision, in the warrant or elsewhere, he could not commit its execution to another. The provision which was absent in that case and deemed essential is present in this.

The witness points to the provision in the fourth amendment to the Constitution declaring "no warrants shall issue but upon probable cause supported by oath or affirmation," and contends that the warrant was void because the report of the committee on which it was based was unsworn. We think the contention overlooks the relation of the committee to the Senate and to the matters reported, and puts aside the accepted interpretation of the constitutional provision.

The committee was a part of the Senate, and its members were acting under their oath of office as Senators. The matters reported pertained to their proceedings and were within their own knowledge. They had issued the subpœnas, had received and examined the officer's returns thereon (copies of which accompanied the report), and knew the witness had not obeyed either subpœna or offered any excuse for his failure to do so.

The constitutional provision was not intended to establish a new principle, but to affirm and preserve a cherished rule of the common law designed to prevent the issue of groundless warrants. In legislative practice committee reports are regarded as made under the sanction of the oath of office of its members; and where the matters reported are within the committee's knowledge and constitute probable cause for an attachment such reports are acted on and given effect, without requiring that they be supported by further oath or affirmation. This is not a new practice, but one which has come down from an early period. It was well recognized before the constitutional provision was adopted, has been followed ever since, and appears never to have been challenged until now. Thus it amounts to a practical interpretation, long continued, of both the original common-law rule and the affirming constitutional provision, and should be given effect accordingly. (Prigg *v.* Pennsylvania, 16 Pet. 539, 620–621; The Laura, 114 U. S. 411, 416; McPherson *v.* Blacker, 146 U. S. 1, 35–36; Ex parte Grossman, 267 U. S. 87, 118; Myers *v.* United States (October 25, 1926).)

The principle underlying the legislative practice has also been recognized and applied in judicial proceedings. This is illustrated by the settled rulings that courts in dealing with contempts committed in their presence may order commitments, without other proof than their own knowledge of the occurrence (Ex parte Terry, 128 U. S. 289, 307, et seq.; Holcomb *v.* Cornish, 8 Conn. 375; 4 Blackst. Com. 286), and that they may issue attachments, based on their own knowledge of the default, where intended witnesses or jurors fail to appear in obedience to process shown by the officer's return to have been duly served. (Robbins *v.* Gorham, 25 N. Y. 588; Wilson *v.* State, 57 Ind. 71.) A further illustration is found in the rulings that grand jurors, acting under the sanction of their oath as such, may find and return indictments based solely on their own knowledge of the particular offenses, and that warrants may be issued on such indictments without further oath or affirmation (Hale *v.* Henkel, 201 U. S. 43, 60–62; Regina *v.* Russell, 2 Car. & Mar. 247; Commonwealth *v.* Hayden, 163 Mass. 453, 455; Decision of Mr. Justice Catron, reported in Wharton's Cr. Pl. & Pr., 8th ed., pp. 224–226); and still another is found in the practice which recognizes that where grand jurors, under their oath as such, report to the court that a witness brought before them has refused to testify the court may act on that report, although otherwise unsworn, and order the witness brought before it by attachment. (See Hale *v.* Henkel, supra; Blair *v.* United States, 250 U. S. 273; Nelson *v.* United States, 201 U. S. 92, 95; Equity Rule 52, 226 U. S. Appendix 15; Heard *v.* Pierce, 8 Cush. 338.)

We think the legislative practice, fortified as it is by the judicial practice, shows that the report of the committee—which was based on the committee's own knowledge and made under the sanction of the oath of office of its members—was sufficiently supported by oath to satisfy the constitutional requirement.

The witness also points to the provision in the warrant and in the resolution under which it was issued requiring that he be "brought before the bar of the Senate, then and there" to give testimony "pertinent to the subject under inquiry," and contends that an essential prerequisite to such an attachment was wanting, because he neither had been subpœnaed to appear and testify before the Senate nor had refused to do so. The argument in support of the contention proceeds on the assumption that the warrant of attachment "is to be treated precisely the same as if no subpœna had been issued by the committee, and the same as if the witness had not refused to testify before the committee." In our opinion the contention and the assumption are both untenable. The committee was acting for the Senate and under its authorization; and therefore the subpœnas which the committee issued and the witness refused to obey are to be treated as if issued by the Senate. The warrant was issued as an auxiliary process to compel him to give the testimony sought by the subpœnas; and its nature in this respect is not affected by the direction that his testimony be given at the bar of the Senate instead of before the committee. If the Senate deemed it proper, in view of his contumacy, to give that direction it was at liberty to do so.

The witness sets up an interlocutory injunction granted by a State court at Washington Court House, Ohio, in a suit brought by the Midland National Bank against two members of the investigating committee, and contends that the attachment was in violation of that injunction and therefore unlawful. The contention is plainly ill-founded. The injunction was granted the same day the second subpœna was served, but whether earlier or later in the day does not appear. All that the record discloses about the injunction is comprised in the paragraph copied in the margin from the witness's petition for habeas corpus. ("On the 11th day of April, 1924, in an action in the court of common pleas of said Fayette County, Ohio, in which said the Midland National Bank was plaintiff and said B. K. WHEELER and SMITH W. BROOKHART were defendants, upon the petition of said bank said court granted a temporary restraining order enjoining and restraining said defendants and their agents, servants, and employees from entering into said banking room and from taking, examining, or investigating any of the books, accounts, records, promissory notes, securities, letters, correspondence, papers, or any other property of said bank or of its depositors, borrowers, or customers in said banking room and from in any manner molesting and interfering with the business and affairs of said bank, its officers, agents, servants, and the business of its depositors, borrowers and customers with said bank until the further order

of said court. The said defendants were duly served with process in said action and duly served with copies of said temporary restraining order on said 11th day of April, 1924, and said injunction has not been modified by said court and no further order has been made in said case by said court, and said injunction is in full force and effect.") But it is apparent from what is disclosed that the injunction did not purport to place any restraint on the witness, nor to restrain the committee from demanding that he appear and testify personally to what he knew respecting the subject under investigation; and also that what the injunction did purport to restrain has no bearing on the power of the Senate to enforce that demand by attachment.

In approaching the principal questions, which remain to be considered, two observations are in order. One is that we are not now concerned with the direction in the first subpœna that the witness produce various records, books, and papers of the Midland National Bank. That direction was not repeated in the second subpœna; and is not sought to be enforced by the attachment. This was recognized by the court below, 299 Fed. 623, and is conceded by counsel for the appellant. The other is that we are not now concerned with the right of the Senate to propound or the duty of the witness to answer specific questions, for as yet no questions have been propounded to him. He is asserting—and is standing on his assertion—that the Senate is without power to interrogate him, even if the questions propounded be pertinent and otherwise legitimate—which for present purposes must be assumed.

The first of the principal questions—the one which the witness particularly presses on our attention—is, as before shown, whether the Senate—or the House of Representatives, both being on the same plane in this regard—has power, through its own process, to compel a private individual to appear before it or one of its committees and give testimony needed to enable it efficiently to exercise a legislative function belonging to it under the Constitution.

The Constitution provides for a Congress consisting of a Senate and House of Representatives and invests it with "all legislative powers" granted to the United States, and with power "to make all laws which shall be necessary and proper" for carrying into execution these powers and "all other powers" vested by the Constitution in the United States or in any department or office thereof. (Art. I, secs. 1, 8.) Other provisions show that while bills can become laws only after being considered and passed by both Houses of Congress, each House is to be distinct from the other, to have its own officers and rules, and to exercise its legislative function independently. (Story, Const., sec. 545 et seq.; 1 Kent's Com., p. 222; Art. I, secs. 2, 3, 5, 7.) But there is no provision expressly investing either House with power to make investigations and exact testimony to the end that it may exercise its legislative function advisedly and effectively. So the question arises whether this power is so far incidental to the legislative function as to be implied.

In actual legislative practice power to secure needed information by such means has long been treated as an attribute of the power to legislate. It was so regarded in the British Parliament and in the Colonial legislatures before the American Revolution; and a like view has prevailed and been carried into effect in both Houses of Congress and in most of the State legislatures. (May's Parliamentary Practice, 2d ed., pp. 80, 295, 299; Cushing's Legislative Practice, secs. 634, 1901–1903; 3 Hinds' Precedents, secs. 1722, 1725, 1727, 1813–1820; Cooley's Constitutional Limitations, 6th ed., p. 161.)

This power was both asserted and exerted by the House of Representatives in 1792, when it appointed a select committee to inquire into the St. Clair expedition and authorized the committee to send for necessary persons, papers, and records. Mr. Madison, who had taken an important part in framing the Constitution only five years before, and four of his associates in that work were Members of the House of Representatives at the time, and all voted for the inquiry. (3 Cong. Ann. 494.) Other exertions of the power by the House of Representatives, as also by the Senate, are shown in the citations already made. Among those by the Senate, the inquiry ordered in 1859 respecting the raid by John Brown and his adherents on the armory and arsenal of the United States at Harpers Ferry is of special significance. The resolution directing the inquiry authorized the committee to send for persons and papers, to inquire into the facts pertaining to the raid and the means by which it was organized and supported, and to report what legislation, if any, was necessary to preserve the peace of the country and protect the public property. The resolution was briefly discussed and adopted without opposition. (Cong. Globe, 36th Cong., 1st sess., pp. 141, 152.) Later on the committee reported that Thaddeus Hyatt, although subpœnaed to appear as a witness, had refused to do so; whereupon the Senate ordered that he be attached and brought before it to answer for his refusal. When he was brought in he answered by challenging the power of the Senate to direct the inquiry and exact testimony to aid it in exercising its legislative function. The question of power thus presented was thoroughly discussed by several Senators—Mr. Sumner, of Massachusetts, taking the lead in denying the power and Mr. Fessenden, of Maine, in supporting it. Sectional and party lines were put aside, and the question was debated and determined with special regard to principle and precedent. The vote was taken on a resolution pronouncing the witness's answer insufficient and directing that he be committed until he should signify that he was ready and willing to testify. The resolution was adopted—44 Senators voting for it and 10 against. (Cong. Globe, 36th Cong., 1st sess., pp. 1100–1109, 3006–3007.) The arguments advanced in support of the power are fairly reflected by the following excerpts from the debate:

"Mr. FESSENDEN of Maine. Where will you stop? Stop, I say, just at that point where we have gone far enough to accomplish the purposes for which we were created; and these purposes are defined in the Constitution. What are they? The great purpose is legislation. There are some other things, but I speak of legislation as the principal purpose. Now, what do we propose to do here? We propose to legislate upon a given state of facts, perhaps, or under a given necessity. Well, sir, proposing to legislate, we want information. We have it not ourselves. It is not to be presumed that we know everything; and if anybody does presume it, it is a very great mistake, as we know by experience. We want information on certain subjects. How are we to get it? The Senator says, ask for it. I am ready to ask for it; but suppose the person whom we ask will not give it to us; what then? Have we not power to compel him to come before us? Is this power, which has been exercised by Parliament, and by all legislative bodies down to the present day without dispute—the power to inquire into subjects upon which they are disposed to legislate—lost to us? Are we not in the possession of it? Are we deprived of it simply because we hold our power here under a Constitution which defines what our duties are and what we are called upon to do?

"Congress have appointed committees after committees, time after time, to make inquiries on subjects of legislation. Had we not power to do it? Nobody questioned our authority to do it. We have given them authority to send for persons and papers during the recess. Nobody questioned our authority. We appoint committees during the session with power to send for persons and papers. Have we not that authority, if necessary to legislation?

* * * * * * *

"Sir, with regard to myself, all I have to inquire into is: Is this a legitimate and proper object committed to me under the Constitution? And then, as to the mode of accomplishing it, I am ready to use judiciously, calmly, moderately, all the power which I believe is necessary and inherent in order to do that which I am appointed to do; and, I take it, I violate no rights, either of the people generally or of the individual, by that course.

"Mr. CRITTENDEN, of Kentucky. I come now to a question where the cooperation of the two branches is not necessary. There are some things that the Senate may do. How? According to a mode of its own. Are we to ask the other branch of the Legislature to concede by law to us the power of making such an inquiry as we are now making? Has not each branch the right to make what inquiries and investigation it thinks proper to make for its own action? Undoubtedly. You say we must have a law for it. Can we have a law? Is it not, from the very nature of the case, incidental to you as a Senate, if you, as a Senate, have the power of instituting an inquiry and of proceeding with that inquiry? I have endeavored to show that we have that power. We have a right, in consequence of it, a necessary incidental power, to summon witnesses, if witnesses are necessary. Do we require the concurrence of the other House to that? It is a power of our own. If you have a right to do the thing of your own motion, you must have all powers that are necessary to do it.

"The means of carrying into effect by law all the granted powers is given where legislation is applicable and necessary; but there are subordinate matters, not amounting to laws; there are inquiries of the one House or the other House, which each House has a right to conduct; which each has from the beginning exercised the power to conduct, and each has from the beginning summoned witnesses. This has been the practice of the Government from the beginning, and if we have a right to summon the witness all the rest follows as a matter of course."

The deliberate solution of the question on that occasion has been accepted and followed on other occasions by both Houses of Congress, and never has been rejected or questioned by either.

The State courts quite generally have held that the power to legislate carries with it by necessary implication ample authority to obtain information needed in the rightful exercise of that power, and to employ compulsory process for the purpose.

In Burnham *v.* Morrisey (14 Gray, 226, 239) the Supreme Judicial Court of Massachusetts, in sustaining an exertion of this power by one branch of the legislature of that Commonwealth, said:

"The house of representatives has many duties to perform, which necessarily require it to receive evidence and examine witnesses. * * * It has often occasion to acquire a certain knowledge of facts in order to the proper performance of legislative duties. We therefore think it clear that it has the constitutional right to take evidence, to summon witnesses, and to compel them to appear and testify. This power to summon and examine witnesses it may exercise by means of committees."

In Wilckens *v.* Willet (1 Keyes 521, 525), a case which presented the question whether the House of Representatives of the United States possesses this power, the Court of Appeals of New York said:

"That the power exists there admits of no doubt whatever. It is a necessary incident to the sovereign power of making laws, and its exercise is often indispensable to the great end of enlightened, judicious, and wholesome legislation."

In People *v.* Keeler (99 N. Y. 463, 482, 483), where the validity of a statute of New York recognizing and giving effect to this power was drawn in question, the court of appeals approvingly quoted what it had said in Wilckens *v.* Willet, and added:

"It is difficult to conceive any constitutional objection which can be raised to the provision authorizing legislative committees to take testimony and to summon witnesses. In many cases it may be indispensable to intelligent and effectual legislation to ascertain the facts which are claimed to give rise to the necessity for such legislation and the remedy required, and, irrespective of the question whether in the absence of a statute, to that effect either house would have the power to imprison a recusant witness, I can not yield to the claim that a statute authorizing it to enforce its process in that manner is in excess of the legislative power. To await the slow process of indictment and prosecution for a misdemeanor might prove quite ineffectual, and necessary legislation might be obstructed, and, perhaps, defeated, if the legislative body had no other and more summary means of enforcing its right to obtain the required information. That the power may be abused is no ground for denying its existence. It is a limited power and should be kept within its proper bounds; and when these are exceeded, a jurisdictional question is presented which is cognizable in the courts. * * * Throughout this Union the practice of legislative bodies, and in this State, the statutes existing at the time the present constitution was adopted, and whose validity has never before been questioned by our courts, afford strong arguments in favor of the recognition of the right of either house to compel the attendance of witnesses for legislative purposes, as one which has been generally conceded to be an appropriate adjunct to the power of legislation, and one which, to say the least, the State legislature has constitutional authority to regulate and enforce by statute."

Other decisions by State courts recognizing and sustaining the legislative practice are found in Falvey *v.* Massing (7 Wis. 630, 635–638), State *v.* Frear (138 Wis. 173), Ex parte Parker (74 S. C. 466, 470), Sullivan *v.* Hill (73 W. Va. 49, 53), Lowe *v.* Summers (69 Mo. App. 637, 649–650). An instructive decision on the question is also found in Ex parte Dansereau (1875) (19 L. C. Jur. 210), where the legislative assembly of the Province of Quebec was held to possess this power as a necessary incident of its power to legislate.

We have referred to the practice of the two Houses of Congress; and we now shall notice some significant congressional enactments. May 3, 1798 (c. 36, 1 Stat. 554), Congress provided that oaths or affirmations might be administered to witnesses by the President of the Senate, the Speaker of the House of Representatives, the chairman of a committee of the whole, or the chairman of a select committee, "in any case under their examination." February 8, 1817 (c. 10, 3 Stat. 345), it enlarged that provision so as to include the chairman of a standing committee. January 24, 1857 (c. 19, 11 Stat. 155), it passed "An act more effectually to enforce the attendance of witnesses on the summons of either House of Congress, and to compel them to discover testimony." This act provided, first, that any person summoned as a witness to give testimony or produce papers in any matter under inquiry before either House of Congress, or any committee of either House, who should willfully make default, or, if appearing, should refuse to answer any question pertinent to the inquiry, should, in addition to the pains and penalties then existing (the reference is to the power of the particular House to deal with the contempt. In re Chapman (166 U. S. 661, 671–672)), be deemed guilty of a misdemeanor and be subject to indictment and punishment as there prescribed; and secondly, that no person should be excused from giving evidence in such an inquiry on the ground that it might tend to incriminate or disgrace him, nor be held to answer criminally, or be subjected to any penalty or forfeiture for any fact or act as to which he was required to testify, excepting that he might be subjected to prosecution for perjury committed while so testifying.

January 24, 1862, c. 11, 12 Stat. 333, Congress modified the immunity provision in particulars not material here. These enactments are now embodied in sections 101–104 and 859 of Revised Statutes. They show very plainly that Congress intended thereby (a) to recognize the power of either House to institute inquiries and exact evidence touching subjects within its jurisdiction and on which it was disposed to act (in construing section 1 of the act of 1857 as reproduced in section 102 of the Revised Statutes, this court said in In re Chapman (166 U. S. 661, 667): "It is true that the reference is to 'any' matter under inquiry, and so on, and it is suggested that this is fatally defective because too broad and unlimited in its extent; but nothing is better settled than that statutes should receive a sensible construction, such as will effectuate the legislative intention, and, if possible, so as to avoid an unjust or an absurd conclusion, Lau Ow Bew *v.* United States (144 U. S. 47, 59); and we think that the word 'any,' as used in these sections, refers to matters within the jurisdiction of the two Houses of Congress, before them for consideration and proper for their action; to questions pertinent thereto; and to facts or papers bearing thereon"); (b) to recognize that such inquiries may be conducted through committees; (c) to subject defaulting and contumacious witnesses to indictment and punishment in the courts, and thereby to enable either House to exert the power of inquiry "more effectually" (this court has said of the act of 1857 that "it was necessary and proper for carrying into execution the powers vested in Congress and in each House thereof." In re Chapman (166 U. S. 661, 671); and (d) to open the way for obtaining evidence in such an inquiry, which otherwise could not be obtained, by exempting witnesses required to give evidence therein from criminal and penal prosecutions in respect of matters disclosed by their evidence.

Four decisions of this court are cited and more or less relied on, and we now turn to them.

The first decision was in Anderson *v.* Dunn (6 Wheat. 204). The question there was whether, under the Constitution, the House of Representatives has power to attach and punish a person other than a Member for contempt of its authority; in fact, an attempt to bribe one of its Members. The court regarded the power as essential to the effective exertion of other powers expressly granted, and, therefore, as implied. The argument advanced to the contrary was that as the Constitution expressly grants to each House power to punish or expel its own Members and says nothing about punishing others, the implication or inference, if any, is that power to punish one who is not a Member is neither given nor intended. The court answered this by saying:

"There is not in the whole of that admirable instrument a grant of powers which does not draw after it others, not expressed, but vital to their exercise; not substantive and independent, indeed, but auxiliary and subordinate." (Page 225.)

"This argument proves too much; for its direct application would lead to annihilation of almost every power of Congress. To enforce its laws upon any subject without the sanction of punishment is obviously impossible. Yet there is an express grant of power to punish in one class of cases, and one only, and all the punishing power exercised by Congress in any cases, except those which relate to piracy and offenses against the laws of nations, is derived from implication. Nor did the idea ever occur to anyone that the express grant in one class of cases repelled the assumption of the punishing power in any other. The truth is that the exercise of the powers given over their own Members was of such a delicate nature that a constitutional provision became necessary to assert or communicate it. Constituted, as that body is, of the delegates of confederated States, some such provision was necessary to guard against their mutual jealousy, since every proceeding against a Representative would indirectly affect the honor or interests of the State which sent him." (Page 233.)

The next decision was in Kilbourn *v.* Thompson (103 U. S. 168). The question there was whether the House of Representatives had exceeded its power in directing one of its committees to make a particular investigation. The decision was that it had. The principles announced and applied in the case are: That neither House of Congress possesses a "general power of making inquiry into the private affairs of the citizen"; that the power actually possessed is limited to inquiries relating to matters of which the particular House "has jurisdiction," and in respect of which it rightfully may take other action; that if the inquiry relates to "a matter wherein relief or redress could be had only by a judicial proceeding" it is not within the range of this power, but must be left to the courts, conformably to the constitutional separation of governmental powers; and that for the purpose of determining the essential character of the inquiry, recourse may be had to the resolution or order under which it is made. The court examined the resolution which was the basis of the particular inquiry, and ascertained therefrom that the inquiry related to a private real-estate pool or partnership in the District of Columbia. Jay Cook & Co. had had an interest in the pool, but had become bankrupts, and their estate was in course of administration in a Federal bankruptcy court in Pennsylvania. The United States was one of their creditors. The trustee in the bankruptcy proceeding had effected a settlement of the bankrupts' interest in the pool, and, of course, his action was subject to examination and approval or disapproval by the bankruptcy court. Some of the creditors, including the United States, were dissatisfied with the settlement. In these circumstances, disclosed in the preamble, the resolution directed the committee "to inquire into the matter and history of said real-estate pool and the character of said settlement, with the amount of property involved in which Jay Cook & Co. were interested, and the amount paid or to be paid in said settlement, with power to send for persons and papers, and report to the House."

The court pointed out that the resolution contained no suggestion of contemplated legislation; that the matter was one in respect to which no valid legislation could be had; that the bankrupts' estate and the trustee's settlement were still pending in the bankruptcy court; and that the United States and other creditors were free to press their claims in that proceeding. And on these grounds the court held that in undertaking the investigation "the House of Representatives not only exceeded the limit of its own authority but assumed power which could only be properly exercised by another branch of the Government, because it was in its nature clearly judicial."

The case has been cited at times, and is cited to us now, as strongly intimating, if not holding, that neither House of Congress has power to make inquiries and exact evidence in aid of contemplated legislation. There are expressions in the opinion which, separately considered, might bear such an interpretation; but that this was not intended is shown by the immediately succeeding statement (p. 189) that "This latter proposition is one which we do not propose to decide in the present case because we are able to decide the case without passing upon the existence or nonexistence of such a power in aid of the legislative function."

Next in order is In re Chapman (166 U. S. 661). The inquiry there in question was conducted under a resolution of the Senate and related to charges, published in the press, that Senators were yielding to corrupt influences in considering a tariff bill then before the Senate and were speculating in stocks the value of which would be affected by pending amendments to the bill. Chapman appeared before the committee in response to a subpœna, but refused to answer questions pertinent to the inquiry, and was indicted and convicted under the act of 1857 for his refusal. The court sustained the constitutional validity of the act of 1857, and, after referring to the constitutional provision empowering either House to punish its Members for disorderly behavior and by a vote of two-thirds to expel a Member, held that the inquiry related to the integrity and fidelity of Senators in the discharge of their duties, and therefore to a matter "within the range of the constitutional powers of the Senate," and in respect of which it could compel witnesses to appear and testify.

In overruling an objection that the inquiry was without any defined or admissible purpose, in that the preamble and resolution made no reference to any contemplated expulsion, censure, or other action by the Senate, the court held that they adequately disclosed a subject-matter of which the Senate had jurisdiction, that it was not essential that the Senate declare in advance what it meditated doing, and that the assumption could not be indulged that the Senate was making the inquiry without a legitimate object.

The case is relied on here as fully sustaining the power of either House to conduct investigations and exact testimony from witnesses for legislative purposes. In the course of the opinion (p. 671) it is said that disclosures by witnesses may be compelled constitutionally "to enable the respective bodies to discharge their legitimate functions, and that it was to effect this that the act of 1857 was passed"; and also "We grant that Congress could not divest itself, or either of its Houses, of the essential and inherent power to punish for contempt, in cases to which the power of either House properly extended; but, because Congress, by the act of 1857, sought to aid each of the Houses in the discharge of its constitutional functions, it does not follow that any delegation of the power in each to punish for contempt was involved." The terms "legitimate functions" and "constitutional functions" are broad and might well be regarded as including the legislative function, but as the case in hand did not call for any expression respecting that function, it hardly can be said that these terms were purposely used as including it.

The latest case is Marshall *v.* Gordon (243 U. S. 521). The question there was whether the House of Representatives exceeded its power in punishing, as for a contempt of its authority, a person—not a Member—who had written, published, and sent to the chairman of one of its committees an ill-tempered and irritating letter respecting the action and purposes of the committee. Power to make inquiries and obtain evidence by compulsory process was not involved. The court recognized distinctly that the House of Representatives has implied power to punish a person not a Member for contempt, as was ruled in Anderson *v.* Dunn, supra, but held that its action in this instance was without constitutional justification. The decision was put on the ground that the letter, while offensive and vexatious, was not calculated or likely to affect the House in any of its proceedings or in the exercise of any of its functions—in short, that the act which was punished as a contempt was not of such a character as to bring it within the rule that an express power draws after it others which are necessary and appropriate to give effect to it.

While these cases are not decisive of the question we are considering, they definitely settle two propositions which we recognize as entirely sound and having a bearing on its solution: One, that the two Houses of Congress in their separate relations possess not only such powers as are expressly granted to them by the Constitution, but such auxiliary powers as are necessary and appropriate to make the express powers effective; and, the other, that neither House is invested with "general" power to inquire into private affairs and compel disclosures, but only with such limited power of inquiry as is shown to exist when the rule of constitutional interpretation just stated is rightly applied. The latter proposition has further support in Harriman *v.* Interstate Commerce Commission (211 U. S. 407, 417–419) and Federal Trade Commission *v.* American Tobacco Co. (264 U. S. 298, 305–306).

With this review of the legislative practice, congressional enactments and court decisions we proceed to a statement of our conclusions on the question.

We are of opinion that the power of inquiry—with process to enforce it—is an essential and appropriate auxiliary to the legislative function. It was so regarded and employed in American legislatures before the Constitution was framed and ratified. Both Houses of Congress took this view of it early in their history—the House of Representatives with the approving votes of Mr. Madison and other Members whose service in the convention which framed the Constitution gives special significance to their action—and both Houses have employed the power accordingly up to the present time. The acts of 1798 and 1857, judged by their comprehensive terms, were intended to recognize the existence of this power in both Houses and to enable them to employ it "more effectually" than before. So, when their practice in the matter is appraised according to the circumstances in which it was begun and to those in which it has been continued, it falls nothing short of a practical construction, long continued, of the constitutional provisions respecting their powers, and therefore should be taken as fixing the meaning of those provisions, if otherwise doubtful. (Stuart *v.* Laird, 1 Cranch, 299, 309; Martin *v.* Hunter's Lessee, 1 Wheat. 304, 351; Ames *v.* Kansas, 111 U. S. 449, 469; Knowlton *v.* Moore, 178 U. S. 41, 56, 92; Fairbank *v.* United States, 181 U. S. 283, 306, et seq.)

We are further of opinion that the provisions are not of doubtful meaning, but, as was held by this court in the cases we have reviewed, are intended to be effectively exercised, and therefore to carry with them such auxiliary powers as are necessary and appropriate to that end. While the power to exact information in aid of the legislative function was not involved in those cases, the rule of interpretation applied there is applicable here. A legislative body can not legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change; and where the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it. Experience has taught that mere requests for such information often are unavailing, and also that information which is volunteered is not always accurate or complete; so some means of compulsion are essential to obtain what is needed. All this was true before and when the Constitution was framed and adopted. In that period the power of inquiry—with enforcing process—was regarded and employed as a necessary and appropriate attribute of the power to legislate—indeed, was treated as inhering in it. Thus there is ample warrant for thinking, as we do, that the constitutional provisions which commit the legislative function to the two Houses are intended to include this attribute to the end that the function may be effectively exercised.

The contention is earnestly made on behalf of the witness that this power of inquiry, if sustained, may be abusively and oppressively exerted. If this be so, it affords no ground for denying the power. The same contention might be directed against the power to legislate, and of course would be unavailing. We must assume for present purposes that neither House will be disposed to exert power beyond its proper bounds or without due regard to the rights of witnesses. But if, contrary to this assumption, controlling limitations or restrictions are disregarded, the decisions in Kilbourn *v.* Thompson and Marshall *v.* Gordon point to admissible measures of relief. And it is a necessary deduction from the decisions in Kilbourn *v.* Thompson and In re Chapman that a witness rightfully may refuse to answer where the bounds of the power are exceeded or the questions are not pertinent to the matter under inquiry.

We come now to the question whether it sufficiently appears that the purpose of which the witness's testimony was sought was to obtain information in aid of the legislative function. The court below answered the question in the negative and put its decision largely on this ground, as is shown by the following excerpts from its opinion (299 Fed. 638, 639, 640):

"It will be noted that in the second resolution the Senate has expressly avowed that the investigation is in aid of other action than legislation. Its purpose is to 'obtain information necessary as a basis for such legislative and other action as the Senate may deem necessary and proper.' This indicates that the Senate is contemplating the taking of action other than legislative, as the outcome of the investigation, at least the possibility of so doing. The extreme personal cast of the original resolutions; the spirit of hostility toward the then Attorney General which they breathe; that it was not avowed that legislative action was had in view until after the action of the Senate had been challenged; and that the avowal then was coupled with an avowal that other action was had in view—are calculated to create the impression that the idea of legislative action being in contemplation was an afterthought.

"That the Senate has in contemplation the possibility of taking action other than legislation as an outcome of the investigation, as thus expressly avowed, would seem of itself to invalidate the entire proceeding. But, whether so or not, the Senate's action is invalid and absolutely void in that in ordering and conducting the investigation it is exercising the judicial function, and power to exercise that function in such a case as we have here has not been conferred upon it expressly or by fair implication. What it is proposing to do is to determine the guilt of the Attorney General of the shortcomings and wrongdoings set forth in the resolutions. It is 'to hear, adjudge, and condemn.' In so doing it is exercising the judicial function.

"What the Senate is engaged in doing is not investigating the Attorney General's office; it is investigating the former Attorney General. What it has done is to put him on trial before it. In so doing it is exercising the judicial function. This it has no power to do."

We are of opinion that the court's ruling on this question was wrong, and that it sufficiently appears, when the proceedings are rightly interpreted, that the object of the investigation and of the effort to secure the witness's testimony was to obtain information for legislative purposes.

It is quite true that the resolution directing the investigation does not in terms avow that it is intended to be in aid of legislation; but it does show that the subject to be investigated was the administration of the Department of Justice—whether its functions were being properly discharged or were being neglected or misdirected, and particularly whether the Attorney General and his assistants were performing or neglecting their duties in respect of the institution and prosecution of proceedings to punish crimes and enforce appropriate remedies against the wrongdoers—specific instances of alleged neglect being recited. Plainly the subject was one on which legislation could be had and would be materially aided by the information which the investigation was calculated to elicit. This becomes manifest when it is reflected that the functions of the Department of Justice, the powers and duties of the Attorney General and the duties of his assistants, are all subject to regulation by congressional legislation, and that the department is maintained and its activities are carried on under such appropriations as, in the judgment of Congress, are needed from year to year.

The only legitimate object the Senate could have in ordering the investigation was to aid it in legislating; and we think the subject matter was such that the presumption should be indulged that this was the real object. An express avowal of the object would have been better; but in view of the particular subject matter was not indispensable. In the Chapman case, where the resolution contained no avowal, this court pointed out that it plainly related to a subject matter of which the Senate had jurisdiction and said, "We can not assume on this record that the action of the Senate was without a legitimate object"; and also that "it was certainly not necessary that the resolutions should declare in advance what the Senate meditated doing when the investigation was concluded." (166 U. S. 669–670.) In People *v.* Keeler (99 N. Y. 463), where the Court of Appeals of New York sustained an investigation ordered by the house of representatives of that State, where the resolution contained no avowal but disclosed that it definitely related to the administration of a public office the duties of which were subject to legislative regulation, the court said (pp. 485, 487): "Where public institutions under the control of the State are ordered to be investigated it is generally with the view of some legislative action respecting them, and the same may be said in respect of public officers." And again: "We are bound to presume that the action of the legislative body was with a legitimate object if it is capable of being so construed, and we have no right to assume that the contrary was intended."

While we rest our conclusion respecting the object of the investigation on the grounds just stated, it is well to observe that this view of what was intended is not new but was shown in the debate on the resolution. (Senator GEORGE said: "It is not a trial now that is proposed, and there has been no trial proposed save the civil and criminal actions to be instituted and prosecuted by counsel employed under the resolution giving to the President the power to employ counsel. We are not to try the Attorney General. He is not to go upon trial. Shall we say the legislative branch of the Government shall stickle and halt and hesitate because a man's public reputation, his public character, may suffer because of that legislative action? Has not the Senate power to appoint a committee to investigate any department of the Government, any department supported by the Senate in part by appropriations made by the Congress? If the Senate has the right to investigate the department, is the Senate to hesitate, is the Senate to refuse to do its duty merely because the public character or the public reputation of some one who is investigated may be thereby smirched, to use the term that has been used so often in the debate? * * * It is sufficient for me to know that there are grounds upon which I may justly base my vote for the resolution; and I am willing to leave it to the agent created by the Senate to proceed with the investigation fearlessly upon principle, not for the purpose of trying but for the purpose of ascertaining facts which the Senate is entitled to have within its possession in order that it may properly function as a legislative body.") (CONGRESSIONAL RECORD, 68th Cong., 1st sess., pp. 3397, 3398.)

Of course, our concern is with the substance of the resolution and not with any nice questions of propriety respecting its direct reference to the then Attorney General by name. The resolution, like the charges which prompted its adoption, related to the activities of the department while he was its supervising officer; and the reference to him by name served to designate the period to which the investigation was directed.

We think the resolution and proceedings give no warrant for thinking the Senate was attempting or intending to try the Attorney General at its bar or before its committee for any crime or wrongdoing. Nor do we think it a valid objection to the investigation that it might possibly disclose crime or wrongdoing on his part.

The second resolution—the one directing that the witness be attached—declares that his testimony is sought with the purpose of obtaining "information necessary as a basis for such legislative and other action as the Senate may deem necessary and proper." This avowal of contemplated legislation is in accord with what we think is the right interpretation of the earlier resolution directing the investigation. The suggested possibility of "other action" if deemed "necessary or proper" is, of course, open to criticism in that there is no other action in the matter which would be within the power of the Senate. But we do not assent to the view that this indefinite and untenable suggestion invalidates the entire proceeding. The right view in our opinion is that it takes nothing from the lawful object avowed in the same resolution and rightly inferable from the earlier one. It is not as if an inadmissible or unlawful object were affirmatively and definitely avowed.

We conclude that the investigation was ordered for a legitimate object; that the witness wrongfully refused to appear and testify before the committee and was lawfully attached; that the Senate is entitled to have him give testimony pertinent to the inquiry, either at its bar or before the committee; and that the district court erred in discharging him from custody under the attachment.

Another question has arisen which should be noticed. It is whether the case has become moot. The investigation was ordered and the committee appointed during the Sixty-eighth Congress. That Congress expired March 4, 1925. The resolution ordering the investigation in terms limited the committee's authority to the period of the Sixty-eighth Congress; but this apparently was changed by a later and amendatory resolution authorizing the committee to sit at such times and places as it might deem advisable or necessary. (CONG. REC., 68th Cong., 1st sess., p. 4126.) It is said in Jefferson's Manual (Senate Rules and Manual, 1925, p. 303): "Neither House can continue any portion of itself in any parliamentary function beyond the end of the session without the consent of the other two branches. When done, it is by a bill constituting them commissioners for the particular purpose." But the context shows that the reference is to the two houses of Parliament when adjourned by prorogation or dissolution by the King. The rule may be the same with the House of Representatives, whose Members are all elected for the period of a single Congress; but it can not well be the same with the Senate, which is a continuing body whose Members are elected for a term of six years and so divided into classes that the seats of one-third only become vacant at the end of each Congress, two-thirds always continuing into the next Congress, save as vacancies may occur through death or resignation.

Mr. Hinds in his collection of precedents says: "The Senate, as a continuing body, may continue its committees through the recess following the expiration of a Congress" (vol. 4, sec. 4544); and, after quoting the above statement from Jefferson's Manual, he says: "The Senate, however, being a continuing body, gives authority to its committees during the recess after the expiration of a Congress" (vol. 4, sec. 4545). So far as we are advised the select committee having this investigation in charge has neither made a final report nor been discharged; nor has it been continued by an affirmative order. Apparently its activities have been suspended pending the decision of this case. But, be this as it may, it is certain that the committee may be continued or revived now by motion to that effect, and, if continued or revived, will have all its original powers. (Hinds' Precedents, vol. 4, secs. 4396, 4400, 4404, 4405.) This being so, and the Senate being a continuing body, the case can not be said to have become moot in the ordinary sense. The situation is measurably like that in Southern Pacific Terminal Co. *v.* Interstate Commerce Commission (219 U. S. 498, 514–516), where it was held that a suit to enjoin the enforcement of an order of the Interstate Commerce Commission did not become moot through the expiration of the order where it was capable of repetition by the commission and was a matter of public interest. Our judgment may yet be carried into effect and the investigation proceeded with from the point at which it apparently was interrupted by reason of the habeas corpus proceedings. In these circumstances we think a judgment should be rendered as was done in the case cited.

What has been said requires that the final order in the district court discharging the witness from custody be reversed.

Final order reversed.

Mr. Justice Stone did not participate in the consideration or decision of the case.

Mr. GRIFFIN. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend and revise my remarks by incorporating quotations from hearings, and also some exhibits that I desire to use.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, I had been allotted a much greater period of time and intended to discuss the splendid work that has been done and is still being done by our distinguished colleague from Vermont, Mr. GIBSON, and his so-called Gibson committee. In that connection, I intended to bring to your attention the evidence that was adduced at the so-called Fenning hearings before both the Gibson committee and the Judiciary Committee, but I have received permission to extend my remarks, and I shall put that in later and use my time now allotted to me in the discussion of another subject.

I do not know what you gentlemen who believe in the eighteenth amendment and the Volstead law think about this so-called administration liquor bill that is now pending before the Ways and Means Committee, being H. R. 15601, introduced by Mr. GREEN of Iowa. I wish every man who believes in prohibition would get that bill and study carefully all of its provisions. I wish you would make up your mind, as I have done, who is the real author of some of those provisions. I can not escape the conclusion that they come from the Secretary of the Treasury, and because his prohibition administrator approves of this measure we are hearing passive approval from some of the prohibition sources. Now, I freely admit that if you bring in a bill labeled a "prohibition measure," my friend from Georgia will vote for it on general principles.

Mr. UPSHAW. Not without examination.

Mr. BLANTON. But I not only want to know that it comes properly branded, I want to know that it comes from real prohibition sources, and that it is to help, not hinder, prohibition.

Why, every prohibitionist in the land—I don't care whether he is an orthodox Republican or not—knows that the main thing that has stood in the way of enforcement of the prohibition law is the fact that enforcement is placed in the charge of the present Secretary of the Treasury, Mr. Mellon, who is not a prohibitionist and does not believe in it. We all know that he does not believe in it. It has been admitted from the floor many times, and never denied, that the Secretary of the Treasury is financially interested in the business. He has been a large owner of distillery stock; he has been a large owner of stock in bonded warehouses; and under the present law they can not sell that stuff. If they could sell it, it would bring an enormous price, but they can not sell it, because the Volstead law and the eighteenth amendment stops them, except for medicinal purposes. And this "Mellon bill" is to make it lawful for them to sell it.

What is a "medicinal purpose"? Are any of you men hunters? If you are, and you were going into the camp tonight, you would find that some of your hunting friends would go to a doctor—your doctor or somebody else's doctor—and get medicinal whisky to take on the camp hunt with you. I know, because that is one of the main recreations of my life—is annually to take one camp and hunt. [Laughter and applause.] Oh, I beat you to it, gentlemen; I said "camp and hunt" before you gentlemen applauded. I love a camp hunt and try to take one annually, when with friends we can go out and sleep on the ground and look up at the blue sky. I have never yet been on a hunt since the Volstead Act was passed but I have found bottles in the camp which had doctors' prescriptions pasted on them. The doctors gave them to hunters when there was not anything medicinally wrong with a single man. We all know that there are doctors in this country who are making a business out of giving prescriptions at so much per. We all know it, and we sit here and allow it to go on instead of passing laws that would prevent it.

I am in favor of preventing doctors from issuing prescriptions for straight whisky.

One of the greatest surgeons known in the United States, Doctor Mayo, of Rochester, Minn., in the Nation's Capital here the other day indicated that in his honest judgment it was not needed.

Mr. LOWREY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LOWREY. And so did Dr. Howard Kelly, of Baltimore.

Mr. BLANTON. Certainly. Some of the best minds in the United States from a medical standpoint, physicians and surgeons, say it is not necessary; but we are not deluding ourselves when in this legislative body we call whisky designed for beverage "medicinal whisky." We know that 99 per cent of it is gotten for beverage purposes. This bill from Secretary Mellon provides for a Government corporation to act as a monopoly in the liquor business. Oh, I know it says that a director, officer, or employee of the corporation, shall not be held to be an officer, employee, or agent of the United States. But it says that any officer, employee, or agent of the Government of the United States may be one of these directors; and I will tell you something else that it says. It says that each one of these liquor directors must take the oath of office provided in section 1757 of the Revised Statutes—each one of them must take the oath of office—the same as other officers and employees of the United States. It also says that class A directors shall organize this big monopolistic corporation and act until at least $40,000,000 of stock has been subscribed, and that it can issue preferred stock up to 800,000 shares, and each share of preferred stock must be worth at least $100. In addition it can issue 800,000 shares of common stock. And what is the main provision after that? It is that this liquor corporation may, in spite of the eighteenth amendment, in spite of the Volstead law, buy every single case of bottled liquor from warehouses to-day that otherwise could not be sold. So it is to make a market for all of the liquor that belongs to the big liquor men of the United States. It is to make lawful market for it all, and the price that shall be paid is the price that Secretary Mellon's committee of three shall determine. The Government is mixed up in this liquor corporation all the way through. Are you going to vote for that bill?

Mr. KVALE. In other words, the members of this corporation are going to buy whisky from themselves, are they not, and possibly at their own price?

Mr. BLANTON. Oh, yes. You know why that provision is put in there, that officers, agents, and employees of the United States could be directors of this liquor corporation? I imagine that the Secretary of the Treasury will be the chairman of this institution.

Will they get such lifelong prohibitionists as my friend from Maine [Mr. HERSEY] on the plea of its being an administration measure? I doubt it. They may get him, even though his State is the pioneer on the prohibition movement in the United States; but I want to tell you right now that here is one prohibitionist that they are not going to get on this bill.

I wonder if our distinguished friend from Iowa, Uncle BILLY GREEN, is proud of this measure that bears his name? I know it is inconsistent with his own personal belief, it is inconsistent with his legislative career here, it is inconsistent with his lifelong tenets of faith and procedure, but he had to introduce it because it comes from the Secretary of the Treasury. I wonder if the Secretary of the Treasury is going to be strong enough to put this bill down the throats of the Members of Congress, and I wonder if he is going to be strong enough to get it out of the Committee on Ways and Means. He will do it if they do not get up there and do some fighting. Let me read you just a provision or two from this bill. Here is one of the powers that this corporation is to have—

> to hold, sell, bottle, transport, and distribute medicinal spirits owned by it for medicinal and other nonbeverage purposes, and for no other purpose.

"Medicinal and other nonbeverage purposes!" If medicinal were a nonbeverage purpose, it would not be so bad, but when we know that the great bulk of the so-called medicinal liquor is bought by well men from doctors and drug stores when they do not need it for medicinal purposes, when they are strong, well, able-bodied citizens and merely want a drink, then such a phrase sounds ridiculous.

Mr. WEFALD. Is there any provision in the bill for the limiting of profits?

Mr. BLANTON. Yes. It says that when the profits get to be so much, "they shall reduce the price of liquor" and thus make it easy to get.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. OLIVER of Alabama. I think the gentleman agrees with me that the member on that committee from Texas [Mr. GARNER] usually has splendid judgment.

Mr. BLANTON. Splendid.

Mr. OLIVER of Alabama. And that no one is quicker to see the dangers and fallacies of an unsound business proposal than he.

Mr. BLANTON. I say this in behalf of my distinguished colleague from Texas [Mr. GARNER], that while he comes from that portion of the State where there are a great many fundamental antiprohibitionists, and while likely, he has had views along that line different from my own, and fundamentally he may at one time have been opposed to such a law, yet there is not a man in this House who stands stronger for strict obedience to the Constitution and the law than he. [Applause.] And there is not a man here who will fight harder than he against subterfuges and camouflages.

Mr. OLIVER of Alabama. As I understand it, he has sounded a warning against this bill.

Mr. BLANTON. Yes; and while I have no right to speak for him, yet mark my prediction—he will never vote to sup-

port it. Here is another power that we as legislators are asked to grant to this monopolistic, governmental liquor corporation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GRIFFIN. Mr. Chairman, I yield two minutes more to the gentleman from Texas.

Mr. BLANTON. Let me read this other power that you are asked to give them:

To provide for the necessary replenishment of the supply of medicinal spirits by manufacture by the corporation or by importation for sale by the corporation, in accordance with law and regulations thereunder; and for the purpose of such manufacture to acquire by purchase, lease, or construction, and to operate and maintain not more than two distilleries and to so acquire and maintain a tax-paid warehouse in connection with each.

Note that you are asked in this Mellon bill to grant this liquor corporation the right to import liquors. It is now against the law to import it. But this quasi-governmental liquor corporation is to be given the exclusive right to import it.

Note that you are asked in this Mellon bill to grant to this liquor corporation the exclusive right to operate and maintain two distilleries for the manufacture of intoxicating liquor, pure and undefiled, pleasing to the palate, and this is a boon that none of the big liquor men in the United States smaller than Mr. Secretary Mellon himself would ever dare even to suggest to the Congress of the United States.

And note that you are asked in this Mellon bill to grant to this quasi-governmental liquor corporation the exclusive right to acquire and maintain a tax-paid liquor warehouse in connection with each of its said distilleries. Oh, what an opportunity for distributing this wholesome, palatable, so-called "medicinal whisky" to every thirsty man in every State of the Union by increasing the present number of bootleggers to handle it.

Mr. HUDSON. Will the gentleman yield?

Mr. BLANTON. In just a second. I promise you there will be more liquor floating around in all of the 48 States if you pass this law than you ever dreamed of, and I wonder if the prohibitionists of Michigan are going to be hoodwinked.

Mr. HUDSON. This gentleman never answers except for himself.

Mr. BLANTON. I wonder how this legislation appeals to the gentleman? If my friend is standing with Mellon, why I have not any time to yield to him.

Mr. HUDSON. The gentleman has not said he is standing with Mellon. I rose to ask a question. I wanted to ask the gentleman if he does not think this is the opening wedge for Government ownership and control of the liquor traffic?

Mr. BLANTON. It is an opening wedge for thirsty men all over the United States to get all the liquor they want—that is what it is—in every State in violation and in spite of the eighteenth amendment and in spite of the Volstead law.

Let me quote from this Mellon bill just three more rights you are asked to confer by law upon this monopolistic, governmental liquor corporation:

(3) In accordance with law and regulations thereunder, to hold, sell, bottle, transport, and distribute medicinal spirits owned by it, for medicinal and other nonbeverage purposes and for no other purpose.

(4) To acquire by purchase, lease, or construction, and to maintain, not more than six concentration internal-revenue bonded warehouses (consisting of one or more buildings or parts thereof) including land necessary therefor; and to so acquire and maintain a tax-paid warehouse in connection with each.

(5) To provide for the necessary replenishment of the supply of medicinal spirits by manufacture by the corporation or by importation for sale by the corporation, in accordance with law and regulations thereunder; and for the purpose of such manufacture to acquire by purchase, lease, or construction, and to operate and maintain, not more than two distilleries, and to so acquire and maintain a tax-paid warehouse in connection with each.

I do not see how any real prohibitionist can support that bill. The Ways and Means Committee should not report it. And if they do, we must kill it here.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GRIFFIN. Mr. Chairman, I yield two minutes to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the Colorado River and Boulder Dam proposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears none.

Mr. TAYLOR of Colorado. Mr. Speaker, under leave granted I insert herewith my statement before the Committee on Rules of the House of Representatives at their hearings on January 20, 1927, on the application of the Committee on Irrigation and Reclamation for a rule for the consideration of the bill H. R. 9826, to provide for the protection and development of the lower Colorado River Basin.

Owing to the vast amount of propaganda and misinformation circulated broadcast throughout the country concerning the provisions and effect of this bill, and because of the very vital and far-reaching interests and welfare of the seven Southwestern States in general, and Colorado in particular, effected by the measure, I feel warranted in inserting in the RECORD my remarks before that committee, as follows:

STATEMENT OF HON. EDWARD T. TAYLOR

Mr. TAYLOR. Mr. Chairman and gentlemen of the committee, I shall not go into details in this matter. No gigantic legislative measure is ever ideally perfect. It is easy to find fault with details. If we ever get tangled up on minor objections and unimportant angles of this thing, we will never get anywhere.

Let us take a very general and hasty bird's-eye view of this situation. Here is the Imperial Valley. It is the richest spot on God's footstool. It is 250 feet below sea level. Supposing, for illustration, the two States of Rhode Island and Delaware were threatened with being submerged that much, the Government of the United States would instantly appropriate and spend a billion dollars to protect the property and the people of those two small States. And yet they are nothing like as rich naturally as the Imperial Valley. It is the highest duty on earth of the American Government to at once build whatever dam is necessary to prevent the destruction of that valley and the 65,000 people living in it. That is the first thing. I feel that there can be no decent citizen under our flag who has any opposition to building the necessary dam to protect that marvelously rich valley from destruction, and a hundred of the best engineers in the world say the only practical way to do it is to build a dam some 600 feet high at Boulder Canyon, back the water up both the Colorado and the Virgin Rivers for 50 miles and thereby make a reservior as shown on that map, large enough to hold all the flow of the Colorado River for 12 months, even if there was not a drop allowed to go over the dam. Thereby the Government could regulate the flood and stabilize the flow and completely protect the Imperial Valley and all the adjacent country below the dam, both in California and Arizona. That is the first and highest duty of Congress. I know we all agree upon that.

The Government should have built that dam before the appalling destruction by the break in 1906. Why should not the Government now build it? Congress has spent two or three hundred million dollars protecting the Mississippi Valley, and very properly so. And no one asks or expects the Mississippi Valley to repay Uncle Sam for that expenditure. Why should not Congress build the dam to protect that most fertile spot, where they raise a crop every month in the year? They send out $60,000,000 worth of produce every year, and the fortunes and even the lives of 65,000 people there are at stake. Just as surely as the sun shines, if we stall around here much longer, as we have been doing for the past 10 years in Congress, and do nothing, that valley will be destroyed.

When I was chairman of the Committee on Irrigation and Reclamation, I myself went down there, 10 years ago, and investigated conditions, and I have been working and trying to protect that valley ever since, not only in California but in Arizona. You gentlemen owe a solemn obligation to at least take whatever steps, and authorize whatever bill is necessary to provide for the construction of that dam.

The second proposition is this: The dam, when it is completed several years from now, will result in the stabilization of the flow. It will make the flood waters of that stream available for a great deal more irrigation in the years to come, which waters have always heretofore run into the ocean.

Our four upper States of Colorado, Wyoming, Utah, and New Mexico are not ready for it yet. But we want our rights to it safeguarded and protected. We will commence using our share in a few years. There will be five or six million additional acres in the next 50 to 75 years irrigated in those four upper States from the Colorado River if our rights are properly preserved. It is the only great stream in the world that is entirely in an arid region. It is "The Nile of America." It is the life blood of seven of our great Southwestern States. California and Arizona can use the water sooner than we can. That is the second proposition. In other words, flood control comes first, and irrigation second. I now come to the third proposition involved in this bill.

Of course we could build a dam and protect the Imperial Valley and a large part of Arizona and lower California from destruction, and stop right there, and do nothing with it. Just let the water gradually flow over the dam. But when we talk about harnessing that water, as we should, then we instantly get into all this trouble. Then immediately all the power companies of the Nation fly up in arms and are "opposed to the Government going into business." Nobody ever thought of the Government going into the business of retailing power, or anything of that kind.

We want the Government of the United States to hold the whip hand on that stream, because it is a great international stream, and a great interstate stream. And it is entirely too big and important and valuable a stream to ever give over to any one or any private company or companies. We want the Government of the United States to build and own the dam, and be able to say to all power companies, "We are going to equitably allocate some of this power to all of those seven States, and to all of their cities, and to all of the power companies doing business in all those States, in a fair manner." In other words, we want the Government of the United States to have the say as to what power companies shall distribute that power. But not have Uncle Sam distribute the power himself. That is all there is to it.

Every fair-minded person, every patriotic citizen, it seems to me, ought to be willing that the Government of the United States should retain the authority to say what power companies shall have that power, and where they shall use it, and whether one or all of those States shall have the right to use it. We insist that the rights of the people of our upper States can not be and will not be protected unless the Federal Government retains that power and exercises that control. No private corporation ever was big enough or fair enough to justly and equitably allocate all that power between all those States for the next 50 years.

Seventy per cent of all the water of the Colorado River, 70 per cent of all the terrific and gigantic floods that it pours into the Gulf of California, comes from 20 counties in my congressional district in western Colorado. Eight of its great tributary streams arise on the Continental Divide at an elevation of 14,000 feet, and that water falls 10,000 feet in my district. Where they cross the western Colorado State line they are only about 4,000 feet in elevation. There is power enough to run the universe in those streams within my congressional district if we can retain the right to use it.

But I call attention to this: The United States Supreme Court holds that whenever an appropriation of water is taken from a stream at any place on the stream, and for any useful purpose, that appropriation has a prior and absolute right as of that time and in that amount, and all other and subsequent appropriations from that stream at any place, either above or below, for any useful purpose, for all eternity must be junior and subsequent in right to that.

There are now, I understand, some 25 power companies down in California and Arizona clamoring for permits on that stream, and we most emphatically object to them obtaining any permits on the stream unless and until we are securely protected in our rights to future developments in those four upper States.

Our States are newer States. We are not ready to develop yet. There are a million acres of land in my district that can some day be irrigated. We are not ready to irrigate it now, and it may be 25 or 50 years before we can use all of our share of that water. What we demand and what the seven-State compact and the six-State compact provided for is a permanent and fair apportionment of the waters of that stream between the four upper States, collectively called the upper basin, and the three lower States, collectively called the lower basin. That is only right and fair. We want to help them. But we insist that when California and Arizona are permitted to take and use all the water of that great stream, and thereby make their enormous developments, that they will not thereby acquire a permanent right by law for all time to continue to use it all and prevent the upper four States from ever developing their own resources.

The 7,500,000 acre-feet of water awarded to the four upper States jointly, and the 8,500,000 acre-feet awarded to the three lower States, is absolutely fair, just, and right. Practically everybody, all the many millions of people of all those seven States, acknowledges that that seven-State compact is fair and equitable. It is a wonderful document, considering all the surroundings, and if it could be carried out and lived up to it would be a godsend to all the people of all those seven States for all time to come.

Kansas and Colorado litigated each other 12 years, and Wyoming litigated Colorado for 12 years, and neither State was satisfied with the result. But Colorado demonstrated that for 50 years, where the Arkansas River crosses the boundary line between Colorado and Kansas, and where the South Platte crosses the boundary line between Colorado and Nebraska, those two streams were as dry as a powder house some five of six months in the year; and people traveling up and down those streams for 50 years had to dig wells in the bed of the river to get water for their stock. While ever since, we in Colorado have constructed many large canals a hundred miles or more in length and taken all the water out of both streams, over and over again and stored it in large reservoirs and used it, it has seeped back into the stream. The use of the water upon the upper watershed makes a great water-storage reservoir, and it very largely all gets back in the stream, so that for the last 20 years there is a big stream of water in the Arkansas River crossing the State line from Colorado into Kansas every day in the year, and in the South Platte River from Colorado into Nebraska. We have enormously stabilized the flow of the streams, and wonderfully benefited the people of those States; and the same can be done on the Colorado River, and our use of the water up the stream will not hurt them a particle. Every engineer knows that.

The whole trouble is that these water-power companies do not want the Government of the United States to build that dam. They appeared at the hearings and offered to put up all the money necessary, thirty of forty million dollars a year, if necessary, and build all the dams that are required to protect the Imperial Valley and furnish all the power that is needed throughout that country. But they want Congress to turn over that stream to them. They boldly demand that the Government make them a present of the Colorado River. Do you gentlemen realize what that means? The Colorado River is the greatest asset Uncle Sam owns to-day that has not been appropriated. I say conservatively that it is worth $10,000,000,000 this minute, and as the years go by it will in the future be worth many times that amount to the people of those seven States. Are you going to make the Southern California Edison Co. a present of it? Are you going to give it all away to a few of these water-power people? In the name of the present and all succeeding generations of the people of those States, I fervently say, "God forbid."

Those seven States and the Federal Government owe a solemn obligation to their citizens to retain the absolute control of that stream for all time to come.

The first thing the Federal Government should do is to build that dam high enough to control the flood waters, protect the Imperial and the Coachella Valleys in California and the adjacent lowlands in Arizona, and stabilize and regulate the flow of the stream. And the Government should own and control that dam forever.

Secondly, the Government should own and control at the dam all the power that is generated by the dam. The Government should not go into the distribution and retail of power. But the Federal Power Commission, or the Secretary of the Interior, should be given authority to sell that power at the dam by wholesale to the private power companies and to see that all companies and cities and enterprises in all of those seven States are treated fairly in the distribution of that power, for their future and ultimate development. No private company will or can do that. That is the necessary and only fair and right way to allocate that power. Let the purchasers furnish their own distributing systems.

Thirdly, let the four upper basin States divide between themselves the 7,500,000 acre-feet of water allotted to them by both the seven and six State compacts. They can and will adjust their respective amounts and the manner of use of all that amount of water for irrigation, domestic use, power, storage, and all other purposes.

Also let the three lower basin States similarly divide between themselves the 8,500,000 acre-feet allotted to them by that compact. The three lower States have not yet been able to agree among themselves as to how they would divide that portion of the stream. That is none of the business of the four upper States. Our four upper States will agree among themselves somehow. We are going to agree. All we ask you is that 7,500,000 acre-feet be not taken away from us forever, and that our rights to the use of that water up there be not interfered with, no matter how many appropriations there may be down the stream.

I can say to you now that the natural, normal flow of that stream is all appropriated to-day, every drop. There is not a drop of surplus water in that whole stream at the low season. There is not enough in the summer to supply anything like the appropriations from the stream. The question is as to the flood waters, and the right to divert them, to dam the streams and divert them, to use the power. That is the question of the future. The fair, decent, honest thing should be written into whatever bill is passed.

Whether Utah withdraws or does not withdraw, Colorado is going to keep faith with the rest of those States. Colorado will not welch on her fair and square agreement. I believe Utah will regret her action. But her action should not prevent the passage of this bill at all, or be used to destroy the rights of all of them, and especially the birthright of those four upper States which will run for all eternity.

I said to President Coolidge the other day that there is nothing whatever before this Congress that at all equals in importance this measure. It involves the orderly development, the peace and harmony, the comity and good will, and neighborly fair dealing of all those seven States. It involves the prevention of a hundred years of litigation, expense, strife, bloodshed, and ill will. I said to the President: "If Kansas and Colorado could litigate for 12 years, as they did; if Colorado and Wyoming could litigate, as they did, for 12 years; and if you are going to throw this thing wide open, without any compact, and have all seven States litigating with each other, you will precipitate a hundred years of litigation, turmoil, strife, and uncertainty of property rights."

That is what it will amount to. They are not going to submit to a destruction of their property rights, which, as I said, are worth $10,000,000,000, without fighting to the bitter end. Some people think we ought to litigate now; that we all ought to go into the United States Supreme Court and settle this matter between these seven States, because it is a great international and interstate matter.

The Government of Mexico has an interest in this stream, and by the treaty of Guadeloupe Hidalgo this stream was made a navigable stream.

It is a navigable stream by treaty. It is not in reality a navigable stream at the present time, but by treaty it is a navigable stream. That is one reason these power companies and various other people are so much concerned about it.

Gentlemen, the Federal Water Power Commission, composed of the Secretary of the Interior, the Secretary of War, and the Secretary of Agriculture, came before this irrigation committee some two years ago and said they were opposed to the Government going into the business of distributing electrical power, and the committee agreed with them to that extent. That commission did not want to go ahead and grant the right to build this dam, which they have a right to do now, without coming to Congress first. They said they were going to wait a reasonable time for Congress to do something to protect that valley, and if Congress did not do something they would feel impelled to go ahead and grant some private concern the right to construct that dam for the purpose of protecting the Imperial Valley, and if Congress continues to do nothing they will feel justified in doing it.

Congress, as I have said, has been stalling around on this matter for 10 years; it is not 5 years, it is 10 years. I have been down there twice and examined this matter fully, and many of the other Members have also. Congress has authorized most elaborate investigations—many of them—but nothing whatever has been accomplished. Chairman SMITH has been holding hearings of his committee for three or four years, and great volumes of hearings have been printed, but we have never gotten anywhere. I am in hopes we may get somewhere, and that this Rules Committee will start something. Unless Congress will do something, you can not much blame the Federal Power Commission for going ahead and doing something to protect that valley. If they do, I fear there will be no safe way of protecting the priority rights, the ultimate development rights, of the upper States, if the commission grants the rights to some 20 or 25 power companies to build dams and divert the Colorado River. That may protect the Imperial Valley—probably will, of course—because they will put in those dams if permitted to. They will generate enormous quantities of power. But should our States be held for all eternity in the hollow of the hand of some private power company? That is for you gentlemen to determine.

Do you want this great asset of Uncle Sam turned over to them? Do you want us in Colorado, every time we build a ditch, every time we divert any water and use it for domestic or other purposes, to have to get a permit from, and pay royalties to, some power company down in California or Arizona? That is what we are up against here, and it does seem to me that you ought to have the statesmanship and the broadmindedness to take this thing up and say: "We are going to protect that valley from destruction. We are going to build a dam. We are going to put such clauses in the law as to provide that the Government shall not go into business of distributing and retailing power, but that the Government shall retain the right to say what power company shall have the power, and it shall be allocated among all those States fairly." The Government has no thought of peddling out power.

Mr. MICHENER. But this committee is dealing entirely with the advisability of giving H. R. 9826 preferential standing on the floor.

Mr. TAYLOR. Yes; to give us a chance to present this bill to the House, which we have never had so far.

Mr. MICHENER. We are not determining this question.

Mr. TAYLOR. I know that.

Mr. MICHENER. We are determining whether or not this should be brought up for hearing.

Mr. TAYLOR. Yes; I fully understand. I assumed you wanted to know something of the facts.

Mr. MICHENER. Are you in sympathy with and do you approve the terms of H. R. 9826, the Swing bill, as reported favorably by the committee?

Mr. TAYLOR. Oh, yes; it is the best bill we can get. It is the best bill the committee can agree upon. I think the power interests agree that this dam ought to be built; that the Imperial Valley ought to be protected. But they want to either do it themselves or control the power.

I object to any bill being passed that will give rights to the States down below which will prevent our upper States from developing in the future as our needs demand. We are entitled to develop. That is a birthright of those upper States, and I want that provision to go in, and it can go in without hurting anybody at all. I want to avoid getting into any quarrel about the power business if we can. I want to help the Imperial Valley get a dam, but at the same time I want our upper States to be protected.

Mr. BANKHEAD. You agree with the terms of this bill so far as it protects the upper States?

Mr. TAYLOR. Oh, yes. This bill provides that the terms and conditions of the seven-State compact shall be applicable between us. In other words, that we, the four upper States, should have seven and a half million acre-feet for use up there and the lower three States shall have eight and a half million acre-feet below. That is all there is to it. We can and will divide that all right.

Mr. RANSLEY. Would you not eliminate a great deal of the opposition if the carrying out of the legislation were placed under the water power act? There is a recapture clause in that, and any leases made can not be made for over 50 years.

Mr. TAYLOR. I do not want to get off into a discussion of the details of the bill. A modification of that kind would probably be objected to and open up new objections.

Mr. RANSLEY. Probably so.

Mr. TAYLOR. I think you ought to look at this thing in a broad and patriotic way and see what we are trying to get at, and what these seven States are trying to accomplish, and then help them accomplish it. I am not concerned about the details. I am concerned about the results of protecting Imperial Valley and protecting the future development of our four upper States. I want the Government to say that Colorado shall have a share in that power whenever she is ready to use it. I want the Government to be able to allocate that power justly among all the seven States.

Mr. BURTON. Your contention is that the only way to safeguard the interests of the upper States is by the construction of a dam?

Mr. TAYLOR. If the lower States would enter into that compact with us, that no matter how many dams or structures they have, we may always use a certain amount of water before it comes down, that would protect us. If the lower States will agree with us that we may always use our allotment of water, and not bring injunctions in the United States courts against us, that would protect us. But as a practical proposition dams must be built, and they should be used for power. You gentlemen, or some of you, will live to see 50 dams on that stream. It is in many respects the most marvelous stream in the world. The Gulf of California originally extended up north into California 150 miles farther. The Colorado River came into the side of it and filled it up with mud, and that is the reason the Imperial Valley is below sea level.

Gentlemen of the Rules Committee, in conclusion let me say this: That the people of all the upper States are most desperately in earnest in this matter, because we are the guardians of this and all future generations of those States, and their ultimate development will depend upon the nature of this legislation, or upon whether there is any legislation. There is no human way of estimating the value of that water and the power it will generate to those States. And the whole question, to my mind, resolves itself down to a very few words.

In the final analysis the whole matter, all the investigations of years, and all the hearings of many years all revolve around the one question as to who is going to control the Colorado River in future years. All other matters are utterly unimportant and easily settled. At the present time all the water of that river and all of its tributaries, and all the various uses to which they may be applied, irrigation, power, storage, domestic or whatever use, now belong to the people of those seven States; and the question is whether or not Congress is going to protect their rights to that property for the future, or is Congress or the Federal Power Commission going to deliberately give those rights to the water-power companies practically without price or consideration.

That is the whole question boiled down. Of course, every Senator and Representative must answer to his own conscience and to his own constituency. But for my part, if I should vote to take that river away from the people of those States and give it to the power companies, I would feel that I was being a traitor to my State and to my country.

Mr. TAYLOR of Colorado. I yield back the remainder of my time.

Mr. GRIFFIN. I yield 10 minutes to the gentleman from Mississippi [Mr. LOWREY].

Mr. LOWREY. Mr. Chairman, I am a little disappointed at that limitation of 10 minutes. I do not know that I can begin what I want to say in that time. The gentleman from Colorado [Mr. TAYLOR] asked permission just now to extend his remarks on the Boulder Dam business. I wonder how you gentlemen would spell the "dam." I find that some gentlemen in discussing that project are inclined to one spelling and some to the other. As I have studied that project I may have studied it with a little prejudice, for two reasons. First, I think that we have one great power project on our hands now more than we are successfully handling. I believe that this session of Congress needs to get down in very great earnestness to a handling of the great multimillion-dollar power project that we have rather than pass bills for further projects of that kind. Let us dispose of Muscle Shoals before we buy another white elephant. Again, the gentlemen who have discussed the agricultural problems—and we are bringing agriculture and prohibition into every bill that we discuss these days—generally have admitted that the great trouble is the surplus; and the gentleman from New York [Mr. JACOBSTEIN] remarked a while ago that we have too much agriculture, and that the great question before us is diminishing the amount of agriculture. I am not sure but that he is right; and if that is true, or whether it is true or not, it is clear to me that we have too much in the way of agricultural lands. In almost every State

from New England to the Pacific coast there are lands which have been once cultivated but which are now being turned out. Many farms are being deserted, and the farms that do exist are going down and down in price.

I have a letter in my office that reached me only two days ago from a constituent who owns as beautiful a Mississippi farm as I know anywhere, with a great drainage canal through it, with a new hard-surface road crossing it, within easy reach of a splendid high school and a State university, either of which can be reached in a few minutes. Yet he is anxious to sell his farm for less money than it has actually cost him to put the improvements on it. We hear that cry from all over the country. It is coming to us from everywhere. Now, if that is true, why should this Congress go on and make large appropriations and heavily increase the expenses of Government to carry out a great drainage project or great conservation project of any kind for the purpose of making farm lands?

Mr. ARENTZ. Will the gentleman yield?

Mr. LOWREY. I would rather not yield until I finish my statement.

Mr. ARENTZ. I want to ask the gentleman what is the use of keeping up the levees to prevent those farms from being flooded down in his State if the gentleman does not want farm lands?

Mr. LOWREY. That is what I thought the gentleman wanted to ask, but I told him to wait until I could finish my statement, so he would not speak needlessly and say something foolish. Now, let me get back if I can. We appropriate money for irrigation and for great dams, and keep increasing the amount of agricultural lands when it is not paying and other efforts and projects at least will not pay.

Now about the protection of these lands: I was going to say and will say, if my friend from Nevada will listen, that I am not opposing the projects that are already under way and have to be perpetuated in order to save them from being sacrificed. I am not opposing drainage projects or flood-control projects that are already there or under way and needing to be saved from sacrifice. That is not what I am talking about. I do believe the time will come when this country will need all its agricultural land and when we will need to drain our swamp lands and will need to protect our overflowed lands and to irrigate our really irrigable lands. But I do not believe that time is just now. I speak as a southern man for the South, where there is a great and growing need for flood protection. I do not believe we are justified now in entering into or extending new projects to enlarge the area of farm lands when we know we have more now than it pays to have.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. LOWREY. Yes.

Mr. SIMMONS When does the gentleman think the time will come when that new land will be needed for production?

Mr. LOWREY. I beg the gentleman's pardon. I am not willing to go further into that at this time. I have other things to discuss.

Mr. BLANTON. Is it not a fact that since the establishment of the Department of Agriculture every dollar we have ever spent for agriculture has been to increase production—every dollar?

Mr. LOWREY. Practically so; and we are still spending large sums in various ways to increase production when we all say we have overproduction.

But that really is not the question I came forward to discuss, and half of my time is now gone.

I want to express my agreement with the gentleman from Texas [Mr. BLANTON] as to the pending liquor bill. I had a letter the other day from the secretary of the pharmacists' association of my State, who is a college man and who has been a member of the State legislature. He is a man of ability and brains and success, and his word has somewhat of weight with me. I want to put into the RECORD a letter and resolution passed by the pharmacists' association of my State. They are in protest against this bill and they go into this matter at some length. That association is through and through prohibitionist almost to a man, and this secretary says:

> Mississippi has no law providing for medicinal liquor to be supplied by prescription of physicians, and does not need such a law, and nobody—
>
> He says—
>
> has died in Mississippi from the lack of such a law.

Mr. COLE. Have you any snakes there?

Mr. LOWREY. We have not got as many people now who could find snakes as there used to be in the days before we had prohibition. Many people saw snakes then who do not see them now. I have a little story to tell of a gentleman who was riding in a railroad train with a little box in his arms, and somebody asked him what was in the box. He said, "It is a killimidee. It eats snakes, and will not eat anything but a live snake."

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. LOWREY. May I have five minutes more?

Mr. GRIFFIN. I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Mississippi is recognized for five minutes more.

Mr. LOWREY. He said, "It will not eat anything but a snake that it catches alive and kills." The other man said, "How do you find the snakes for it?" "I am a hard-drinking man," was the reply "and it is no trouble in the world for me to find snakes. I find them every day." The other man said, "Those are imaginary snakes," and the man with the box replied, "Yes; and this is an imaginary killimidee." [Laughter.] We had a good many imaginary snakes in Mississippi before we got the prohibition law, more than we have now.

The gentleman from Georgia [Mr. LARSEN] warns us that we are talking ourselves out of politics by talking prohibition. I believe it has been forced upon some of us to talk of it more than we, perhaps, would like. But the great question is not whether we shall have the eighteenth amendment. The great question is whether we shall have enforcement of the eighteenth amendment, and whether the laws we have shall be upheld or shall be nullified and held up to scorn before the people. [Applause.]

Now, I say we have the law already. Since this Government was organized we have passed 19 amendments to the Constitution. Ten of them are in the bill of rights, passed in 1791. From that time to this day, more than 135 years, we have passed only nine more.

Now, listen: There have been over 2,200 proposals to amend the Constitution suggested and brought before Congress, and only 9 of them have gotten through, and the eighteenth amendment got through with more universal public approval, with more backing from the people of this country, than any other one of the nine.

Forty-six States of the Union out of 48 ratified it, and that is more than ever ratified any other amendment. Of the two remaining States one house of each legislature voted to ratify. Neither the original Constitution nor any other amendment thereto ever received such a ratification. When the Constitution was first adopted by the original thirteen States it passed by a vote of just about two to one of the State legislators voting on the adoption. The eighteenth amendment passed by a vote of four to one. Also when the eighteenth amendment was voted on in the Congress the vote in favor of submitting it to the States stood more than 4 to 1 in the Senate and more than 2 to 1 in the House. Little wonder that this should be so, for before we had national prohibition 85 per cent of the counties and more than 90 per cent of the townships and rural precincts of America were already under prohibition by State laws. It is also notable that at this time two-thirds of the Members of the Senate and more than 70 per cent of the Members of the House represented prohibition States or prohibition districts. It has been charged on this floor that the eighteenth amendment is "a decree of disorder and disgrace railroaded through the Congress by fraud and deception on the part of men who betrayed their constituents under the threats and terrorism of a militant minority of moral monstrosities," and that "the law was enacted under the whips and lashes of the forces of organized hypocrisy and bigotry." It is also charged that this disreputable gang perpetrated this unspeakable fraud while millions of our brave boys were away fighting the battles of their country, and hence had no voice in the passage of so important a measure. Such charges are almost too ridiculous to merit an answer. A few further facts, however, should be emphasized. First, the House of Representatives, who voted to submit this amendment to the States, were elected five months before our Congress made its declaration of a state of war with Germany. And the Members of the Senate were elected from five months to more than four years before that time. Also let it be remembered that only 14 States ratified the amendment before Armistice Day, and the remaining 32 States voted their ratification after the war was over.

These facts and figures prove unquestionably that the saloon infamy had simply sinned away its day of grace, and that the great American people were determined on its destruction. Any man who can look these figures in the face and then assert that the thing was put over by a militant minority of moral monstrosities does small credit to his own mathematical ability and shows little conception of minorities and majorities and of numbers generally. Was 80 per cent of the territory of the United States populated at that time by moral and intellectual freaks?

And were four-fifths of the United States Senators and two-thirds of the Members of the House creatures of that ilk? We can at least rely pretty safely on the fact that those Congressmen and Senators, like all political leaders, had some idea what their people at home would approve, and would have been rather slow to vote for something which was supported by only a few moral monstrosities among their constituents.

So I was fully justified in my initial statement that we have the law, and for my part, I am very sure that it is here to stay and the people of the United States will not return again to the liquor traffic any more than they would return to the slave trade. We have once and forever condemned and abolished the legalized traffic in alcoholic liquors for beverage purposes. And the men who are spending their time and energies in scorn and criticism of the eighteenth amendment will accomplish but one thing thereby. They will greatly hearten and encourage the violators of this law and the spirit of lawlessness, and whether they wish it so or not, will be responsible for much crime.

But it took a long fight and many years of effort to do away with the legalized traffic. Some of us knew and some of us said at that time that it would necessarily take another long fight to put down the illegal traffic. The severest indictment that I know against this whole liquor business is the statement of the antiprohibitionist that prohibition does not prohibit. This is their admission that the liquor traffic is so lawless and so debauching in its character that it defies law and refuses to submit to legal restraints. And that even when the Constitution of our beloved country declares against it, the promoters and advocates of that business rise up and defy the very fundamental law of the land, and put the cause of liquor above the Constitution. The question which we now face is simply this: Shall we sacrifice the years of progress which we have made and go back to the legalized traffic? And shall we meekly yield to this opposition and proclaim to the world that the great American Republic is incapable of enforcing its Constitution and its laws? Or shall we continue the battle until we have won the victory over the illegal traffic just as we did win over the legalized traffic?

Mr. FUNK. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, anent some remarks that were made to-day on the floor of this House by a distinguished Member from a Mississippi River State, and which might be misapprehended or misinterpreted, I desire to say that the flood control association which has headquarters in New Orleans is sympathetically disposed toward the efforts of those who believe in irrigation and reclamation, and that the policy and attitude of the Flood Control Association of the Mississippi Valley is well expressed in the bill which I had the honor to introduce and which is now before the Flood Control Committee. A duplicate of that bill was introduced in the Senate quite recently by Senator CAMERON, and it may be interesting to the gentlemen who are present now to know that for a time it was the disposition of a number of Senators during the pendency and consideration of the rivers and harbors bill to propose the Cameron or O'Connor bill as an amendment to the rivers and harbors bill. That would have been directly in line with the historical proposal of the Newlands bill as a rider to the rivers and harbors bill some years ago.

The Newlands bill was a very comprehensive measure. It proposed a commission which would undertake a study, investigation, and examination of the water resources of the country and related and allied subjects, which necessarily took in reclamation and irrigation. The O'Connor bill is the Newlands bill polished and brought up to date. The O'Connor bill was made necessary by reason of the fact that the Newlands bill was never put into operation, for the war came on.

President Wilson did not think it was feasible to appoint a commission to make the investigation, and which probably could not be made, in view of the fact that we were in travail and going through an agony—a Golgotha. Then came along the Federal power act, which repealed the Newlands Act. Ever since the repeal the sincere advocates of flood control have sought to have its provisions reenacted and are now organized and working throughout the great valley and along the Atlantic seaboard to have the O'Connor-Cameron bill passed and enacted into law.

We in the lower reaches of the Mississippi Valley, and particularly in southern Louisiana, feel that the problem which confronts the people out along the Colorado River and the Imperial Valley sinks into insignificance compared with the importance of the subject of flood control as it affects us in New Orleans and below to the Delta of the Mississippi River. We have a city of 425,000 inhabitants on the Father of Waters, the last city along that great and magnificent stream which is the pride and glory of the United States of America. But the pride you feel in it, while shared by us, is mingled with fear. Twenty-six States, lying between the peaks of the Alleghenies and Rockies, pour down all of the water that comes to them from the clouds above and from the springs under the earth, and every drop of water in that great valley must gurgle and sing its way on to the Gulf of Mexico by the doors of the city of New Orleans.

Ordinarily the city of New Orleans is just at about sea level, and sometimes we are a little below the high-water mark which the river attains. With that gigantic flood of the Mississippi River and every tributary that enters it passing New Orleans, you can thoroughly understand the tremendous problem that confronts us, a problem that might mean one of the greatest catastrophies ever faced by any people on the face of the earth during all of the centuries. We, therefore, have an abiding and everlasting interest in the subject of flood control. We have a sympathetic interest, I repeat, with those who believe in reclamation as a means of bringing arid lands into cultivation. We have that same interest with those who believe in irrigation. Your problem is to get water on the land, and our problem is to check the flow so as not to get too much at any one time. Therefore, reclamation, flood control, and irrigation are related and branches of the same subject. Mr. Chairman and gentlemen of the committee, if I may divert for a moment, so far as I am concerned, I can not believe there is such a thing as a surplus from an agricultural standpoint. I can understand from the very nature of things and in accordance with the law of compensation we will always have seven or more lean years and seven or more fat years. It was true away back in Biblical times. You know the story of Joseph and that his rise to power was based upon his knowledge of that great agricultural oscillation, as it were. I do not know that there is any surplus, because no surplus, as was pointed out to me by a distinguished Member of this House, the gentleman from Nevada [Mr. ARENTZ], has ever existed from the standpoint that we had to burn up or destroy any of our crops. As a consequence, surplus is more of a myth than an actuality. The gentleman from New York [Mr. JACOBSTEIN] this morning referred to the seven lean years since 1920 to 1926, inclusive. I think what he meant was that we were suffering, if at all, from an over-production of agricultural products and that they were not lean years in accordance with the strict definition and interpretation of the language which we commonly use in trying to convey the idea that there is a shortage of crops.

If I am correct and that be true, and if all of the experience of the past shows that agricultural fatness or overproduction is followed usually by underproduction, I do not know that there is any great reason to fear that we will have any great surplus on hand. It therefore appears to me that the intellectuals among the agriculturalists of this House and of the Senate ought to be able to devise some means by which to regulate or to control the marketing of agricultural products so there will not be a glut at one time and a shortage at another.

This brings me back to the Mississippi River. Why is it that we are constantly in a state of terror on the lower reaches of the Mississippi River? It is because the waters come thundering down on us during 2 months of the year, while for 10 months the upper reaches of the Mississippi and its tributaries are so shallow as to be nonnavigable. What the Flood Control Association, with which I have an intimate contact, is seeking to bring about is a study of the water resources of this country, so as to devise some plan by which we will have a full river with full tributaries throughout the year, making for navigation and the prevention of floods, which cause devastation to our country and terror to our people. This can be done or hydraulic engineering science is a failure and a fraud, a delusion, and a snare.

Mr. LOWREY. Will the gentleman yield?

Mr. O'CONNOR of Louisiana. Yes.

Mr. LOWREY. The gentleman has in mind a system of dams and reservoirs on the upper Mississippi and its tributaries to store the water and allow it to come down gradually.

Mr. O'CONNOR of Louisiana. Not necessarily surface reservoirs. There is such a thing as a subsurface reservoir. I believe the Geological Survey and any number of our universities through their scientific branches have determined that it is entirely feasible to have an underground storage of water, underground reservoirs, which would necessarily check the flow of water making for full rivers, and never an overflow river. Such a consummation is indeed devoutly to be wished. It would not only mean safety, but it would mean cheap transportation. That alone would make it one of our greatest national assets. But it would also make for an agricultural

splendor as a result of cheap transportation. We should not forget that agriculture from the earliest times found the seat of empire along the banks of rivers. The fertility of the banks of the Nile as a result of its annual inundations is proverbial, and the river then itself bore the great commerce to all parts of the mighty civilizations that came and went during the many centuries it has rolled on to the sea. The Euphrates, the banks of which were the location of Eden, was the servant of the tillers of the soil from time immemorial in the solemnity of historical nomenclature. And the Tigris has a place in the affairs of life that makes that name imperishable and haunting. The ruins of empires, of myriad states, and kingdoms attest a glory and a grandeur seen no place else than in the valley that lies between these two great historic waterways.

The advocates of flood control, irrigation, and reclamation have a common interest. We will need all of the agricultural lands we have, actual and potential, within a quarter of a century to feed the millions that will be added to our present population. Indeed, many economists are predicting that within that time we will be importing from Mexico, Central, and South America foodstuffs for which we will exchange our finished manufactured products.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. O'CONNOR of Louisiana. I want to thank the gentleman in charge of the time on the Republican side for his courtesy.

Mr. FUNK. Mr. Chairman, I yield five minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, it was probably one of the greatest anomalies connected with any piece of legislation that ever passed both Houses of this Congress that the Federal reserve act was passed by the House and the Senate and became a law without the name of any single man or group of men having been connected with it in the way of authorship. The want of any visible parentage of this legislation recently led the resourceful Col. E. M. House to assume responsibility for having inspired the legislation in question and of having nurtured it in its travel through both Houses of Congress. There were also some friends of Paul Warburg who desired to immortalize him and to this end suggested that he was the author of the Federal reserve act.

Within the last 10 days an honored Senator of this Congress has proceeded to eliminate all of these various pretensions as to the parentage and authorship of the Federal reserve act. Indeed, he has not only eliminated Colonel House but he has annihilated him and has demonstrated by historic incidents that Paul Warburg was not the friend of the legislation in question, but was, in fact, its enemy.

A distinguished Member of this House for many years, and for eight years a distinguished chairman of the House Committee on Banking and Currency, Hon. Charles N. Fowler, of the State of New Jersey, has just addressed an open letter to the Hon. Senator CARTER GLASS and to H. Parker Willis, who was the special economic expert of the Banking and Currency Committee at the time of the passage of the Federal reserve act, and in this letter he has pointed out that more than three and a half years before the passage of the act in question he had drafted a bill in which he covered and included not only all but vastly more than was included in the Federal reserve act itself. It is in the interest of historic truth and justice that I ask that this letter be read by the Clerk and spread upon the records of this House.

The CHAIRMAN. Without objection the letter will be read by the Clerk.

There was no objection.

The Clerk read as follows:

(The true origin of the Federal reserve act revealed by Hon. Charles N. Fowler, member of the Banking and Currency Committee for 14 years and for 8 years its chairman, in an open letter to Hon. CARTER GLASS and H. Parker Willis.)

ELIZABETH, N. J., *January 14, 1927.*

GENTLEMEN: By remarks made by both of you as to the true authorship of the Federal reserve act, I am impelled, in the interest of historic truth and justice, to address this open letter to you.

I am sure that you will both agree with me that in drawing a bill covering a great financial and banking reform, principles, and purposes are everything and, comparatively speaking, words are nothing.

Upon the title page of my draft of the Federal reserve act of March 29, 1910, and introduced by me on that date, I find these words, "A complete financial and banking system for the United States." "The complete organization consists of 28 commercial zones" and "the 28 commercial zones are individually as strong as all combined but are absolutely independent of each other commercially, and yet, economically and organizally, they are all united and bound together in the Federal reserve bank." This analysis was written more than three and one-half years before the passage of the Federal reserve act.

I desire to ask whether either of you or both of you together could even now write a better analysis of the Federal reserve act that you two gentlemen conjointly drew up and was finally passed December 23, 1913.

My draft of the Federal reserve act covered the whole subject of our Government finances and our banking problem under these headings: "First, our governmental finances should be put upon a wise and safe basis from a national point of view."

"Second. Our banking methods should be completely reformed from an economic point of view."

However, we have only to deal here with the banking problem.

My draft of the Federal reserve act provided: First, for the centralization of gold reserves for the absolute protection of all our commercial credits; second, for the conversion of commercial credits into cash credits. Economically speaking, this is the soul and substance and all there is in or of the Federal reserve act. Administratively there were included in my draft of the Federal reserve act some important features that were incorporated in your draft. Several others were incorporated in my draft of vast importance to the commercial welfare of the whole country. Some of these have since been adopted and incorporated in the national bank act or the Federal reserve act.

First, my draft of the Federal reserve act provided for 28 commercial zones, each having its central bank. Your draft provided for 12 regional banks. Since the passage of the act, December 23, 1913, there have been established, as I am informed, 18 branches, every one of which should be for obvious reasons commercial-zone banks or regional banks. Frankly, can anything be more absurd than to have made Baltimore a branch of Richmond; New Orleans a branch of Atlanta; Detroit a branch of Chicago; Louisville a branch of St. Louis; Denver a branch of Kansas City; Cincinnati and Pittsburgh branches of Cleveland; Houston a branch of Dallas; finally, Los Angeles and Seattle branches of San Francisco?

Every one of your branch-bank cities has its own peculiar commercial interests, economic environment, and it may be stated without any fear or hesitation whatever that every branch bank established since the passage of the Federal reserve act December 23, 1913, should have been either a commercial-zone bank or a regional bank, and this to the very great economic and commercial advantage, satisfaction, and pride of every one of the 18 cities where your branches have been established.

I have not before me the memoranda of the cities selected for my 28 commercial-zone banks, but I doubt not that they are identically the same cities that your branch banks and your regional banks are located in. Your 12 regional banks, combined with your 18 branches, give us just 2 more than the 28 commercial zones which were provided for in my draft of the Federal reserve act. In other words, it has taken just 15 years to arrive at where I was in my economic banking organization in 1910. Please note that there can be no possible difference, economically speaking, between a commercial-zone bank and one of your regional banks. Zone and region here must mean identically the same thing.

Second, my draft of the Federal reserve act provided for the establishment of savings bank departments in all national banks and also trust departments in national banks. Since my draft in 1910, these privileges have been extended to the national-banking system but subsequent to the passage of the Federal reserve act, December 23, 1913.

Third, my draft of the Federal reserve act provided for the subdivision of the whole United States into 28 commercial zones organized into as many zone-clearing houses, supervised by the bankers themselves, and covered by clearing-house bank examiners; so that all the banks of the United States, both State and national, would have been placed under one uniform system of bank examinations and finally freed from both State and national politics, and certainly would have been conducted at not more than one-half of the present cost, and American banking would thereby have been coordinated and unified and we could have then said that we, indeed, have an American banking system.

Instead of a coordinated and unified banking system resulting from the right and power of the Government under the interstate commerce and general welfare clauses of the Constitution, the same old conglomerate mess that existed before the passage of the Federal reserve act still exists. Under such a coordinated and unified banking system we would have had the most efficient and economical supervision of our banks possible; indeed, at possibly one-third of what it costs to-day with your State-bank examinations, your national-bank examinations, clearing-house bank examinations, and regional-bank examinations, etc.

I have often been told and have also received many letters to the effect that the Federal reserve act would never have been passed except for the campaign of education in banking economics that I car-

ried on during the 14 years that I was a member of the Banking and Currency Committee, of which I was chairman for eight years.

In May and again in December, 1906, I introduced a bill for the purpose of meeting the exigencies of the impending or coming panic which finally overtook us in March, 1907, it having been put over the holidays by strong financial interests in New York. That bill provided for the issuance of $250,000,000 of credit notes such as are issued by the banks of Canada and the Bank of France and provided for their pro rata distribution among the national banks according to their capital. The report of the Comptroller of the Currency after the panic demonstrated that the total amount of all extraordinary forms of credit used as cash as a result of the panic was $248,297,700, or within a million and three-quarters of the amount provided for in my bill drawn for the express purpose of meeting and preventing that panic.

You will remember, my dear Senator GLASS, that you were a member of the Banking and Currency Committee for six or eight years while I was chairman of that committee; and you will undoubtedly also remember that, after I had failed, through the overabundant ignorance of Speaker Cannon of all banking economies, to pass the emergency measure in 1906, that I set about to secure the passage of a general financial and banking bill, to wit, the Federal reserve act. You will undoubtedly recall that because of this determination and because I had succeeded in securing the vote of the Banking and Currency Committee to report a general financial and banking bill instead of a popgun or dough-pill bill, subsequently known as the Aldrich-Vreeland law, Speaker Cannon removed me from the chairmanship of the Banking and Currency Committee and also from the committee itself; in other words, that I was punished and penalized for making the first draft of the Federal reserve act and endeavoring as a matter of duty to give my country a sound and comprehensive financial and banking system.

During the summer of 1912 I was living with my family at Spring Lake, N. J., and went over to Sea Girt to pay my respects to then governor but Candidate Wilson. While calling on Mr. Wilson he expressed a desire to have a conference with me upon the question of financial and banking reform, and suggested that it would be better to have our conference at my hotel, if that was agreeable to me, and it was arranged that way. He came to my hotel on the evening appointed, and we spent about three hours together going over the whole subject of financial and banking reform. The impression Mr. Wilson then made upon me was that he was not at all familiar with the subject of banking economics, but had a marvelously quick mind with the power of clear apprehension and, in a general way, a complete comprehension of the principles involved when stated. To anyone at all familiar with the ways of Congress, it must be self-evident that the Federal reserve measure could have been enacted only through the active interest and power of President Wilson, for whose support the country should, indeed, be grateful.

A CHALLENGE TO GLASS AND WILLIS

First, I challenge either of you or both of you to point out a substantive economic feature of the Federal reserve act as it was passed that was not better and more completely and more scientifically covered by my draft of the Federal reserve act.

Second, I challenge either of you or both of you to point to any banking bill that preceded my draft of the Federal reserve act that covered these great fundamental principles at all comprehensively and completely.

Third, if this can be done, then, in the interest of historical truth and justice it should be done.

Very respectfully yours,

CHARLES N. FOWLER.

The foregoing communication to Senator GLASS and Editor Willis in the nature of a challenge was written and ready to mail Friday afternoon, January 14, 1927, but was delayed because I had decided to go to Washington before mailing it. On Saturday, January 15, 1927, Senator, your seventh article of the series of 23 appeared in the New York Evening Post, from which I quote the following about your first interview with President Wilson and your 11 proposals for the Federal reserve act:

KNEW WHAT HE WANTED

"Neither in this first interview at Princeton nor at any other did Mr. Wilson exhibit familiarity with banking technique. Very likely he knew little about it. But there was never a moment when he did not know what he wanted done nor know what he would not permit to be done in this currency proceeding. He did not need, nor did he ever have, any 'guardian angel' around.

"The outstanding features of the currency proposal presented to Mr. Wilson at the Princeton discussion were (1) organization of a certain number of regional reserve banks of specified capital, with a view to decentralizing credits; (2) a compulsory withdrawal of reserve balances as then impounded and their transfer to these regional reserve banks; (3) compulsory stockholding membership of national banks under penalty of charter forfeiture in case of refusal; (4) associate membership of State banks with limited privileges; (5) the rediscounting processes common to such plans; (6) the issuance by the regional banks of Federal reserve notes, based on a gold and liquid paper cover; (7) the gradual retirement of national bank bond-secured notes; (8) the joint liability of all the regional banks; (9) constituting the regional banks fiscal agents of the Government, with a view to displacing subtreasuries; (10) conversion of United States 2 per cent bonds into 3 per cent bonds, with cancellation of circulation privilege; (11) committing to the Controller of the Currency at Washington full supervisory power over the reserve system.

BAN ON INTEREST OPPOSED

"There were, of course, many minor details.

"As stated, Mr. Wilson did not relish the idea of having a single Federal official invested with complete supervision of such a system and suggested the creation of a Federal Reserve Board. He likewise thought there should be special provision for foreign commerce, and made quite a few other suggestions."

Covering and replying to your 11 proposals presented to Mr. Wilson on your first interview verbatim et literatim, I note (1) my draft of the Federal reserve act provided for 28 commercial zone banks with a combined reserve capital fund, in round numbers, of $1,000,000,000; (2) my draft of the Federal reserve act required that a very large proportion of all the required reserves be made with the Federal reserve bank system; (3) my draft provided an accumulation of a round $1,000,000,000, certainly adequate for all possible capital needs; (4) my draft of the Federal reserve act anticipated through the interstate commerce and general welfare clauses of the Constitution the coordination and unification of all banks, both State and National, into one system; (5) my draft of the Federal reserve act provided for rediscounting "processes"; (6) my draft of the Federal reserve act provided for the issuance of credit bank notes in accordance with the principal illustrated by our two United States banks, by the State Bank of Indiana, by the 500 banks under the Suffolk system carried on with marvelous success, throughout all the New England States for more than 40 years, by the Canadian banks for more than a hundred years, and by the Bank of France since 1803, or 123 years. Your draft adopted the fatal note issue plan of the Imperial Bank of Germany. Now, either of these two note-issuing systems would supply adequate cash to carry on the business of the country. I will not here discuss which principle of note issue should have been adopted, as I have dealt with that matter elsewhere; (7) my draft of the Federal reserve act completely disposed of the national bank bond-secured notes within one year. Your plan started with $750,000,000 December 23, 1913, and there are now outstanding $700,000,000; (8) my draft of the Federal reserve act made the whole 28 commercial zone banks one institution; (9) my draft of the Federal reserve act made the Federal reserve bank a fiscal agent of the Government and necessarily from the very nature of things displaced the subtreasury system; (10) my draft of the Federal reserve act funded the 2 per cent Government bonds within a year. Under your draft of the act there are still outstanding $700,000,000 securing national bank bond-secured notes; (11) my draft made the chairman of each of the 28 zone-clearing houses deputy comptrollers, with the intent and purpose that all banks, State as well as National, should come under national supervision as members of the respective clearing houses where located. Your draft put the Comptroller of the Currency in charge of your regional banks.

My draft of the Federal reserve act provided that the whole organization was to be under the Federal Reserve Board, consisting of a representative from each of the 28 commercial zones, who elected their own president. The Comptroller of the Currency was ex officio to be a member of that board and the Secretary of the Treasury was ex officio to be a member of that board.

Your Federal Reserve Board consists now of eight members, of whom six are appointed by the President and confirmed by the Senate, with the Comptroller of the Currency ex officio a member of that board and the Secretary of the Treasury ex officio a member of that board.

Your comment upon Mr. Wilson very greatly amused and intensely interested me. You say, "Neither in his first interview at Princeton nor at any other did Mr. Wilson exhibit familiarity with banking technique." In my letter the day before I read this quotation which contained these words: "The impression Mr. Wilson then made upon me was that he was not at all familiar with the subject of banking economics."

Again, you say, "Mr. Wilson did not relish the idea of having a single Federal official invested with complete supervision of such a system and suggested the creation of a Federal Reserve Board."

Now, strange as it may seem, in the light of this fact I recall how strenuously I pointed out to Mr. Wilson the vast importance, the absolute necessity, as it seemed to me, of completely removing from the influence of politics and the power of any man or coterie of men to control this national financial system for these two reasons—the vast power it necessarily involved and the vast and varied interests it involved, reaching from ocean to ocean and from Canada to the Gulf. Indeed, that it was for those very reasons that I had organized my Federal Reserve Board, with a representative from every important commercial and economic center—28 of them—for the protection of all the people everywhere within our borders. In my strenuous effort I evidently impressed upon Mr. Wilson the grave importance of a Federal Reserve Board acting with a broad intelligence, covering the whole

country, and a proper sense of responsibility and with a judicial temper; for you say that Mr. Wilson was the author of the idea of the Federal Reserve Board and responsible for its insertion or inclusion in your plan.

You say in the above quotation, "He [Wilson] likewise thought there should be special provision for foreign commerce." My draft of the Federal reserve act provides, among many other things, "to buy and sell bills of exchange, domestic and foreign * * * and have full power to carry into effect the object for which this organization is created." That, like the "general-welfare" clause in the Constitution, covers everything. Certainly Woodrow Wilson became a devout disciple of mine.

Frankly and honestly speaking, did the Federal reserve act as passed contain one single substantive feature that was not to be found in my draft of the Federal reserve act, and far better provided for in my draft than in the act passed December 23, 1913?

With this full detailed review of the recorded historical facts and the indubitable inherent evidence can anyone ever have any doubt as to the true origin of the Federal reserve act or as to who was the true author?

Very respectfully, CHARLES N. FOWLER.

During the reading of the above letter the following occurred:

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. BEEDY. Mr. Chairman, I will not ask for any further time. I will simply ask that the body of the letter be inserted in the RECORD.

The CHAIRMAN. Leave to extend was granted the gentleman, but the Chair does not think specific mention was made of the document.

Mr. FUNK. Mr. Chairman, I will yield the gentleman from Maine sufficient time to have the letter read if there is any objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine to include the letter, a part of which has been read?

There was no objection.

After the reading of the above letter,

Mr. FUNK. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill (H. R. 16800) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1928, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted:

To Mr. CRAMTON, for to-day, on account of illness.

To Mr. STROTHER (at the request of Mr. BOWMAN), on account of sickness.

ADJOURNMENT

Mr. FUNK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 1, 1927, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, February 1, 1927, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the Federal farm loan act (H. R. 15540).

COMMITTEE ON THE DISTRICT OF COLUMBIA

(10 a. m.)

To transfer the United States park police force to the Metropolitan police force of the District of Columbia, to confer additional functions upon the Metropolitan police, and to repeal the provision of law requiring street-railway companies to pay the salaries of certain policemen (H. R. 16397).

(10.30 a. m., Room 227)

To amend an act entitled "An act to regulate the practice of pharmacy and the sale of poisons in the District of Columbia," approved May 7, 1906, as amended (H. R. 12017).

COMMITTEE ON FOREIGN AFFAIRS

(10.30 a. m.)

Upholding the President in maintaining the rights of the United States and of its citizens in Mexico and in Nicaragua and in observing treaty obligations to the Nicaraguan Government recognized by the Government of the United States (H. Res. 357).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

On Muscle Shoals.

SCHEDULED FOR THURSDAY, FEBRUARY 3, 1927

COMMITTEE ON PATENTS

(10.30 a. m.)

To amend sections 57 and 61 of the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909 (H. R. 16548).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

915. A letter from the Secretary of the Treasury, transmitting report showing the number of documents received and distributed by the Treasury Department during the calendar year ended December 31, 1926, together with the number remaining on hand January 1, 1927; to the Committee on Printing.

916. A letter from the vice chairman national legislative committee of the American Legion, transmitting statements of the American Legion prepared in accordance with requirements of the Federal charter for the fiscal year ended December 31, 1926; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MACGREGOR: Committee on Accounts. H. Res. 365. A resolution providing an assistant clerk at the Speaker's table (Rept. No. 1901). Ordered to be printed.

Mr. SWARTZ: Committee on the Post Office and Post Roads. H. R. 4475. A bill to provide for steel cars in the railway post-office service; with amendment (Rept. No. 1904). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 15975. A bill providing for the punishment of persons escaping from Federal penal or correctional institutions, and for other purposes; without amendment (Rept. No. 1905). Referred to the House Calendar.

Mr. CHRISTOPHERSON: Committee on the Judiciary. H. R. 12442. A bill to amend section 128, subdivision (b), paragraph 1, of the Judicial Code as amended February 13, 1925, relating to appeals from district courts; without amendment (Rept. No. 1906). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MACGREGOR: Committee on Accounts. H. Res. 363. A resolution providing for the payment of $213.33 to D. A. Maynard as one month's salary as clerk to the late Hon. Charles E. Fuller (Rept. No. 1902). Ordered to be printed.

Mr. MACGREGOR: Committee on Accounts. H. Res. 355. A resolution to pay salary and funeral expenses of Aaron H. Frear, late an employee of the House of Representatives, to his estate (Rept. No. 1903). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DYER: A bill (H. R. 16837) to authorize the coinage of 50-cent pieces in commemoration of the services, sacrifices, and patriotism of the American women of all wars in which the United States has participated, which was the inspiration of their sons and daughters in carrying on their part in the various conflicts; to the Committee on Coinage, Weights, and Measures.

By Mr. WINTER: A bill (H. R. 16838) authorizing the Shoshone Tribe of Indians of the Wind River Reservation in Wyoming to submit claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. BLAND: A bill (H. R. 16839) to acquire the Moore House and certain other property at Yorktown, Va., and estab-

lish the same as a national monument; to the Committee on the Library.

By Mr. LEAVITT: A bill (H. R. 16840) to authorize the Secretary of the Interior to expend certain Indian tribal funds for industrial purposes; to the Committee on Indian Affairs.

By Mr. WILLIAM E. HULL: A bill (H. R. 16841) to conserve the revenues from medicinal spirits and provide for the effective Government control of such spirits, to prevent the evasion of taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. LINEBERGER: A bill (H. R. 16842) authorizing the issuance of a certain patent; to the Committee on Public Lands.

By Mr. MONTAGUE: A bill (H. R. 16843) to authorize the transfer of a portion of the Dutch Gap Lighthouse Reservation to the Colonial Dames of America in Virginia; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS: A bill (H. R. 16844) to amend the World War adjusted compensation act; to the Committee on Ways and Means.

By Mr. LEAVITT: A bill (H. R. 16845) to amend section 1 of the act approved May 26, 1926, entitled "An act to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled 'An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes'"; to the Committee on Indian Affairs.

By Mr. DYER: A bill (H. R. 16846) to create a commission to collect and publish the records of American women in war; to the Committee on Military Affairs.

By Mr. GARNER of Texas: Joint resolution (H. J. Res. 345) to amend an act entitled "An act providing a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico"; to the Committee on Foreign Affairs.

By Mr. SUMMERS of Washington: Joint resolution (H. J. Res. 346) extending the provisions of the acts of March 4, 1925, and April 13, 1926, relating to a compact between the States of Washington, Idaho, Oregon, and Montana for allocating the waters of the Columbia River and its tributaries, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. ELLIOTT: Resolution (H. Res. 403) for the payment of additional compensation to the clerk of the Committee on Invalid Pensions; to the Committee on Accounts.

By Mr. BULWINKLE: Resolution (H. Res. 404) amending the Rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Iowa, regarding Federal farm legislation; to the Committee on Agriculture.

By Mr. ROBINSON of Iowa: Memorial of the Legislature of the State of Iowa, regarding Federal farm legislation; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Georgia: A bill (H. R. 16847) granting a pension to Augusta Cornog; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 16848) granting a pension to Mattie Hawley; to the Committee on Invalid Pensions.

By Mr. EDWARDS: A bill (H. R. 16849) for the relief of Homer C. Parker; to the Committee on Military Affairs.

By Mr. ESTERLY: A bill (H. R. 16850) granting an increase of pension to Anna Marie Jacobs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16851) granting an increase of pension to Sallie Chester; to the Committee on Invalid Pensions.

By Mr. FENN: A bill (H. R. 16852) granting an increase of pension to Maria J. Lantry; to the Committee on Invalid Pensions.

By Mr. ROY G. FITZGERALD: A bill (H. R. 16853) for the relief of Harry Burton-Lewis; to the Committee on Military Affairs.

By Mr. HASTINGS: A bill (H. R. 16854) granting an increase of pension to Robert Ross; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 16855) granting a pension to Harrison Wilson; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 16856) granting a pension to Elda M. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16857) granting an increase of pension to Emma Akers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16858) granting an increase of pension to Laura V. Perdew; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 16859) granting an increase of pension to Mary A. McCartney; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 16860) granting a pension to Frances E. Austin; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 16861) to provide for the advancement on the retired list of the Army of John Sullivan; to the Committee on Military Affairs.

By Mr. WATSON: A bill (H. R. 16862) granting an increase of pension to Margaret Skean; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5819. Petition of farmer labor movement of Minnesota, assembled January, 1927, urging the Congress to pass the Wheeler-Huddleston resolution withdrawing the American naval forces from Nicaragua; to the Committee on Foreign Affairs.

5820. Petition of William G. Edens, chairman joint agricultural and political action committees, Hamilton Club of Chicago, regarding national agricultural policy; to the Committee on Agriculture.

5821. By Mr. BARBOUR: Petition of members of United Presbyterian Church, of Fresno, Calif., urging passage of House bill 10311, the Lankford Sunday rest bill for the District of Columbia; to the Committee on the District of Columbia.

5822. By Mr. CANFIELD: Petition of Alice J. Boggs and 19 other residents of Seymour, Ind., for early enactment of legislation for the relief of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5823. Also, petition of Mr. Frank Hadigen and 38 other residents of Franklin, Ind., for early enactment of legislation for the relief of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5824. By Mr. CARTER of California: Communication from the adjutant, Department of Italy, of the American Legion, relative to the admission of the wives and children of immigrants entering this country prior to 1924; to the Committee on Immigration.

5825. Also, petition of Mrs. Harold Hutto, of Oakland, Calif., and 20 other voters of said city and district, petitioning the passage of legislation giving increased pensions to the Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5826. By Mr. CHRISTOPHERSON: Memorial of the Legislature of the State of South Dakota; to the Committee on Military Affairs.

5827. By Mr. DOWELL: Petition of citizens of Des Moines, Polk County, Iowa, urging enactment of legislation increasing the pensions of veterans of Civil War and widows of veterans; to the Committee on Invalid Pensions.

5828. By Mr. FRENCH: Petition of citizens of Rathdrum, Idaho, petitioning for Civil War pension bill increasing benefits to veterans and widows; to the Committee on Invalid Pensions.

5829. By Mr. GREENWOOD: Petition of Mr. O. W. Jones, of Shoals, Ind., and 101 other citizens of Martin County, Ind., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows; to the Committee on Invalid Pensions.

5830. By Mr. HICKEY: Petition of Mrs. Will G. Crabill and other citizens of South Bend, Ind., urging the passage of a bill increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5831. By Mr. HOOPER: Petition of Louise Gardner and 69 other residents of Homer, Mich., in favor of pending legislation to increase the present rates of pension of Civil War veterans, their widows, and dependents; to the Committee on Invalid Pensions.

5832. By Mr. HOWARD: Petition favoring passage of increase of pensions for Civil War veterans and widows of veterans, submitted by Mr. I. M. Dawson and others, of Madison, Madison County, Nebr.; to the Committee on Invalid Pensions.

5833. By Mr. JOHNSON of Texas: Petition of citizens of Hillsboro, Tex., in behalf of legislation increasing pensions of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

5834. By Mr. JOHNSON of Washington: Petition of citizens of Puyallup, Wash., in re increased pensions for veterans of the Civil War; to the Committee on Invalid Pensions.

5835. By Mr. KIESS: Petition from citizens of Jersey Shore, Pa., favoring the passage of bill to increase the pension of

widows of Civil War soldiers; to the Committee on Invalid Pensions.

5836. By Mr. KVALE: Petition of Otto Trulson and 57 residents of Willmar, Minn., protesting against enactment of the Lankford Sunday observance bill; to the Committee on the District of Columbia.

5837. Also, petition of Albin Larson and 10 residents of Murdock and Kerkhoven, Minn., protesting against enactment of any compulsory Sunday observance legislation; to the Committee on the District of Columbia.

5838. Also, petition of the Minneapolis Central Labor Union, protesting against enactment of House bills 3748, 4489, 5585, and 6528; to the Committee on Immigration.

5839. Also, petition of the administrative committee of the senate of the University of Minnesota, urging a reduction of the present tariff on scientific instruments imported to the United States; to the Committee on Ways and Means.

5840. Also, petition of A. D. Countryman and several residents of Appleton, Minn., urging that immediate action be taken to pass Civil War legislation for the relief of veterans and widows of veterans; to the Committee on Invalid Pensions.

5841. By Mr. LANHAM: Petition of Mr. and Mrs. T. W. Brown, Mr. and Mrs. W. B. James, and others, protesting against the enactment of House bill 10311 and Senate bill 4821; to the Committee on the District of Columbia.

5842. By Mr. LEATHERWOOD: Petition of qualified voters of Salt Lake City, Utah, recommending the passage of the Elliott pension bill; to the Committee on Invalid Pensions.

5843. By Mr. MAJOR: Petition of certain citizens of Springfield, Mo., urging passage of pension bill for the relief of needy and suffering Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5844. By Mr. MICHAELSON: Petition protesting against House bill 10311 and similar legislation, from certain citizens of Chicago; to the Committee on the District of Columbia.

5845. By Mr. MORROW: Petition of Alamogordo Commercial Club, Alamogordo, N. Mex., indorsing House bill 15480, and Senate companion bill, granting certain lands to the agricultural college for experimental purposes; to the Committee on the Public Lands.

5846. By Mr. ROMJUE: Memorial of John C. Leer and other citizens of Marion County, Mo., opposing the enactment of House bill 10311, or any similar measure; to the Committee on the District of Columbia.

5847. By Mr. ROWBOTTOM: Petition of Luther Hall and others, of Vanderburgh County, Ind., that the bill increasing Civil War widows' pensions be enacted into law at this session of Congress; to the Committee on Invalid Pensions.

5848. Also, petition of Emma Walla, Ade Wallace, and others, of Evansville, Ind., that the Civil War pension bill increasing the widows' pension be enacted into law at this session of Congress; to the Committee on Invalid Pensions.

5849. By Mr. SINNOTT: Petition of certain citizens of La Grande, Oreg., protesting against the enactment of House bill 10311, the Sunday enforcement bill; to the Committee on the District of Columbia.

5850. Also, petition of certain citizens of Baker County, Oreg., urging further relief legislation for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

5851. By Mr. STRONG of Kansas: Petition of voters of Clifton, Kans., urging passage of legislation providing increase of pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5852. Also, petition of voters of Agenda, Kans., urging passage of legislation providing increase of pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5853. Also, petition of voters of Clay Center, Kans., urging passage of legislation providing increase of pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5854. By Mr. TAYLOR of West Virginia: Petition of J. M. Epperly and others, of Miami, W. Va., asking for the passage of legislation for the relief of Civil War veterans' widows; to the Committee on Invalid Pensions.

5855. By Mr. TEMPLE: Petition of a number of residents of East Bethlehem, Washington County, Pa., in support of legislation increasing the rate of pension to Civil War veterans and widows of Civil War veterans; to the Committee on Invalid Pensions.

5856. Also, petition of a number of residents of Washington County, in support of the Leatherwood bill (H. R. 12532), which would provide increased rate of pension to Indian war veterans and their dependents; to the Committee on Pensions.

5857. By Mr. TINCHER: Petition of sundry residents of Waldron, Kans., urging the passage of a pension bill for the relief of needy Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

5858. By Mr. TOLLEY: Petition of 49 citizens of Binghamton, N. Y., to liberalize Civil War pension laws; to the Committee on Invalid Pensions.

5859. By Mr. UNDERHILL: Petition of Harriet A. Rideout and others, in support of Civil War pension legislation; to the Committee on Invalid Pensions.

SENATE

TUESDAY, *February 1, 1927*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Gracious Father, Thou art continuing Thine indulgence toward us. Multiplying as our needs may be, Thou doest for us exceeding abundantly above all that we can ask or think. We beseech of Thee this morning to look upon us graciously, enabling us to fulfill every duty as in Thy sight. May the Lord bless this membership in all its relations and obligations, and glorify Thyself through our country as a people exalted in righteousness. We ask in Jesus Christ's name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fess	Kendrick	Reed, Mo.
Bayard	Fletcher	Keyes	Reed, Pa.
Bingham	Frazier	King	Robinson, Ind.
Borah	George	La Follette	Sackett
Bratton	Gerry	Lenroot	Schall
Broussard	Gillett	McKellar	Sheppard
Bruce	Glass	McLean	Shipstead
Cameron	Goff	McMaster	Shortridge
Capper	Gooding	McNary	Smith
Caraway	Gould	Mayfield	Steck
Copeland	Greene	Means	Stephens
Couzens	Hale	Metcalf	Stewart
Curtis	Harris	Moses	Trammell
Dale	Harrison	Norbeck	Tyson
Deneen	Hawes	Nye	Walsh, Mass.
Dill	Heflin	Oddie	Walsh, Mont.
Edge	Howell	Overman	Warren
Edwards	Johnson	Pepper	Watson
Ernst	Jones, N. Mex.	Phipps	Wheeler
Ferris	Jones, Wash.	Pine	Willis.

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

LEGISLATION IN AID OF PROHIBITION

Mr. MAYFIELD. Mr. President, the calendar of the Senate shows that on April 13, 1926, the Senator from Michigan [Mr. COUZENS], on behalf of the Committee on Civil Service, reported House bill 3821. The purpose of this bill is to place under the civil service the personnel of the Treasury Department authorized by section 38 of the national prohibition act.

The calendar shows also that on May 17, 1926, the Senator from Colorado [Mr. MEANS], on behalf of the Committee on the Judiciary, reported Senate bill 4207, the purpose of which is to amend and strengthen the national prohibition act and the act of November 23, 1921, supplemental thereto, and for other purposes.

The calendar further shows that on December 17, 1926, the Senator from Utah [Mr. SMOOT], on behalf of the Committee on Finance, reported House bill 10729, the purpose of which is to create a bureau of customs and a bureau of prohibition in the Department of the Treasury.

These three prohibition measures were reported to the Senate as far back as May 17, 1926. I am sure that at least three-fourths of the membership of this body are in favor of these measures and that we could pass them without any great difficulty if given an opportunity to consider them.

Will the Republican leader advise us if the Senate will have an opportunity to consider these measures at this session of the Congress?

Mr. CURTIS. Mr. President, the first bill referred to by the Senator from Texas is covered in the second measure to which he referred, and it is the intention of the chairman of the Com-